

FACTORS INFLUENCING CONSUMER'S PURCHASING
INTENTIONS OF LUXURY GOODS

By

Ms. Pannarai Tuncharoenpanich

A Survey Research Report for
MS 7000 research/IS project

Submitted in Partial Fulfillment of the Requirements for the Degree of
Master of Science in Management

November 2007



Assumption University
COLLEGE OF INTERNET DISTANCE EDUCATION
School of Business Administration

FACTORS INFLUENCING CONSUMER'S PURCHASING
INTENTIONS OF LUXURY GOODS

By

Ms. Pannarai Tuncharoenpanich

A Survey Research Report for
MS 7000: Research Project

Submitted in Partial Fulfillment of the Requirements for the Degree of
Master of Science in Management

November 2007

FACTORS INFLUENCING CONSUMER'S PURCHASING
INTENTIONS OF LUXURY GOODS

By

Ms. Pannarai Tuncharoenpanich

A Survey Research Report
Submitted in Partial Fulfillment of the Requirements for the Degree of
Master of Science in Management

Examination Committee:

Committee Chairman:

(Rear Admiral **Prasart Sribhadung**)

Committee Member:

(**Prof. Dr. Chaiyong Brahmaw**)

Committee Member:

(**Dr. Taminee Shinasharkey**)

Committee Member/
Advisor:

(**Dr. Piyathida Praditbatuga**)

Date of Examination: November 16, 2007

Date of Graduation Approval: November 16, 2007

College of Internet Distance Education
Assumption University of Thailand

November 2007



Research Project Title: FACTORS INFLUENCING CONSUMER'S PURCHASING INTENTIONS OF LUXURY GOODS

Researcher/Author: Ms. Pannarai Tuncharoenpanich Major Advisor: Dr. Piyathida Praditbatuga Degree: Master of Science in Management School: School of Business Administration, College of Internet Distance Education Year: 2007

ABSTRACT

The objectives of this study were (1) to determine factors relating to consumer's purchasing intentions of luxury goods in Bangkok, and (2) to determine the relationships between each of three independent variables (attitude focused on perceived quality, subjective norms focused on social influences, and demographics) and dependent variable (consumer's purchasing intentions of luxury goods).

This is a survey research. The population was Thai flight attendants from various airlines including their families and their friends. The samples were 390 using convenience sampling method. The data collecting instruments were questionnaires. Data analysis was carried out using SPSS for Windows Version 13.0. Descriptive statistics were used to describe the demographics of respondents, period of purchasing intention, and the main variables. The research hypothesis statements were tested by a Pearson correlation coefficient and one-way analysis of variance (ANOVA).

It was found that social influences had a moderate positive relationship with purchasing intentions of luxury goods. Celebrities had the strongest relationship with purchasing intentions. Attitude focused on perceived quality also had a moderate positive relationship with purchasing intentions of luxury goods. Quality of manufacture had the strongest positive relationship with luxury goods' purchasing intentions. Moreover, the result of this research showed that different occupation group and income group had differences in purchasing intentions of luxury goods.

Key Words: Luxury Goods, Luxury Brands, Purchasing Intention, Attitude, Subjective Norms, Demographics, Consumer Behavior

ACKNOWLEDGEMENT

This research project could not have been completed without the help of many people. I would like to express my gratitude to all those who gave me the possibility to complete this research. Without these people I couldn't have come this far.

First and foremost, I am deeply grateful to my research project advisor, Dr. Piyathida Praditbatuga, for her valuable suggestions, recommendations, patience, and encouragement that contributed to the accomplishment of this research. My appreciation also goes to the committee members for their valuable suggestions and recommendations for improving this research.

Moreover, I would like to thank to all of my friends for their encouragement and assistances. Also, thank you to all respondents who participated in the survey. Especially, I would like to give my special thanks to my family and my boyfriend whose patient love and highly support enabled me to complete this work. I would like to dedicate this research to them. They have waited so long for this moment; I hope that their long wait has finally been rewarded.

Ms. Pannarai Tuncharoenpanich

TABLE OF CONTENT

Preface	
Abstract	
Acknowledgement	
Table of Content	iv
List of Tables .	vi
List of Figures ...	vii
Chapter	
1 Introduction	1
1. Background of the Research	1
2. Statement of the Problem	3
3. Research Objectives	4
4. Research Questions	4
5. Significance of the Research	4
6. Scope of the Research	5
7. Definition of Terms	6
8. Limitations of the Research	7
2 Review of Literature	9
1. Theoretical Foundation	9
2. Theoretical Framework	19
3. Conceptual Framework	19
4. Definitions and Features of Main Variables	20
5. Previous Studies .	28
6. Research Hypotheses	29
7. Operationalization of the Variables	30
3 Research Methodology	32
1. Type of the Research ...	32
2. Design of the Research	32
3. The Research Instrument Development	33
4. Population and Sampling	36
5. Collection of the Data	38
6. Data Processing and Analysis	39
4 Data Analysis and Results	41
1. Descriptive Statistics Analysis ...	41
2. Hypothesis Testing ...	48
3. Summary of Hypotheses Testing ...	55
5 Summary, Major Findings, Discussion, and Recommendations ...	57
1. Summary of the Research	57
2. Summary of the Findings .	58
3. Discussion of the Research Findings ...	60
5. Implication for Practice	65
6. Recommendations for Further Research	67

TABLE OF CONTENT (CONT.)

Appendices

Appendix A: Questionnaire	78
Appendix B: Reliability Analysis	83
Appendix C: Table of SPSS Analysis	85



LIST OF TABLES

Table	Page
2.1 Operationalization of the Variables	30
3.1 Reliability Statistics	35
3.2 Summary of Statistical Analyses Used in Hypotheses Testing	40
4.1	
4.2	42
4.3	
4.4	
4.5 Income	44
4.6 Period of Purchasing Intention	45
4.7	
4.8 Perceived Quality	46
4.9 Social Influences	47
4.10 Purchasing Intention ...	47
4.11 Interpretation of the Size of Correlation	48
4.12 Correlation between Perceived Quality and Consumer's Purchasing Intentions of Luxury Goods	49
4.13 Correlation between Social Influences and Consumer's Purchasing Intentions of Luxury Goods	51
4.14 Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Age Groups	51
4.15 Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Gender	52
4.16 Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Occupation	52
4.17 Mean of Each Occupation	53
4.18 Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Education	53
4.19 Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Income	54
4.20 Mean of Each Income Group	54
4.21 Summary of Hypotheses Test Results	55

LIST OF FIGURES

Figure		Page
2.1	Five-Stage Model of the Consumer Buying Process 10
2.2	Theory of Reasoned Action	...14
2.3	Theory of Planned Behavior 16
2.4	Conceptual Framework ...	20



CHAPTER 1

INTRODUCTION

1. Background of the Research

In earlier days, luxury goods were the preserve of the privileged few, but now they have become more affordable to many more middle-market consumers. Due to this trend, luxury brands that feature premium prices, prestigious names and global market play an increasingly important role in profit generation for quite a few international brands, such as the Mercedes-Benz, Louis Vuitton and Rolex. In the international market, the democratization of luxuries not only presents new business opportunities but also poses enormous challenges for finding effective strategies to maximize purchases out of these opportunities.

According to Crampton (2001), Asia's wealthiest consumers appear to have taken refuge in retail therapy while the world economy teeters toward recession. Contrary to expectations of those selling, auctioning and promoting luxury goods, Asia's wealthiest consumers still have a strong desire for spending. Asia, including Japan, now accounts for one-third of sales worldwide for the luxury goods behemoth LVMH Moët Hennessy Louis Vuitton, while Cartier depends on the region for half its sales worldwide. The biggest slowdown has been registered by luxury good sales associated with tourists. Many of the region's elite do not feel that things are out of control in the current economic climate, unlike in 1997, when Asia's economic crisis provoked an immediate plunge in sales. People in many countries have less debt this time around and there is not the violent feeling associated with 1997.

Thai consumers, however, are now reluctant to buy luxury goods, according to a consumer survey conducted after the terror attacks in the United States. The survey of 200 Bangkok residents between the ages of 25 and 45 in 2001 by Spa Advertising found that 21 percent planned to forgo purchases of luxury goods and cancel holidays abroad (Crampton, 2001). Even as they brace for a possible slowdown of sales in Southeast Asia, luxury goods companies are holding course on their plans for the region as well as the world's biggest potential luxury goods market, China. LVMH has kept to plans for the region by recently opening a new store in Kuala Lumpur, while Cartier launched a flagship shop in Shanghai and planned to renovate its main Beijing boutique as well as open a new boutique in the capital (Crampton, 2001).

For decades, producers and retailers of luxury goods have thrived on the premise of telling consumers what they should have rather than asking them what they want. However, in recent years as sales of luxury goods have declined, industry experts have suggested this approach must change in order to meet luxury consumers' increasing demands for solid value, greater functionality, and more service (D'Arpizo, Jilla & Kamel, 2005). To increase sales of luxury goods, marketing managers need to get more insight into their consumers' behavior. In consumer research, attitude has played an important role for a long period of time. Knowing how someone feels about buying or using a product, seems to be more valid than merely knowing the consumer's evaluation of the product itself. As the theory of attitude, Theory of Reasoned Action (TRA: Ajzen & Fishbein, 1980) is widely accepted model to study attitude and behavior. The TRA model is thus applied to study consumer purchase behavior of luxury goods.

2. Statement of the Problem

Thailand is one of the international markets that has many luxury-brand products offering to the consumers. In order to explore how luxury-brand marketing managers in Thailand may obtain more purchase from their target consumers, it is necessary to gain a deeper understanding of why consumers buy luxuries. The motives for acquiring luxury goods were traditionally regarded as **constrainable** to the notion of 'buying to impress others', which still more or less serves a strategic principle for the marketing management of luxury brands (Tsai, 2005). Thus, there is a tendency for marketers to reduce the utility of luxury-brand products to the display of prominent achievement and the enhancement of sociality.

However, the notion of 'buying to impress others' has already been undergoing modifications. An emerging view is that the two types of luxury-brand consumption – socially oriented and personally oriented – should both be considered in the marketing management of luxury brands. In summary, marketers should understand consumer's behavior toward luxury goods, which is related to attitude, subjective norms, and demographics.

According to the Theory of Reasoned Action (TRA), a person's behavior is determined by his/her intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norms. Although, there is not a perfect relationship between behavioral intention and actual behavior, intention can be used as a proximal measure of behavior. Intention is the cognitive representation of a person's readiness to perform a given behavior, and it is considered to be the immediate antecedent of behavior. As a general rule, the more favorable the attitude and the subjective norm the stronger should the person's intention to perform the behavior in question (Ajzen & Fishbein, 1980).

3. Research Objectives

The objectives are as follows:

1. To determine factors relating to consumer's purchasing intentions of luxury goods.
2. To determine the relationships between each of three independent variables (attitude, subjective norms, and demographics) and dependent variable (consumer's purchasing intentions of luxury goods).

4. Research Questions

The research questions are as follows:

1. What are factors relating to consumer's purchasing intentions of luxury goods?
2. What are the relationships between each of three independent variables (attitude, subjective norms, and demographics) and consumer's purchasing intentions of luxury goods?

5. Significance of the Research

The results of this research would provide benefits to marketers, manufacturers and people who involve in the luxury-brand industry. The results would represent the factors influencing or relating to consumer's purchasing intentions of luxury goods. Therefore, people who involve in the industry will better understand the conditions under which consumers purchase luxury goods. The findings would help marketers to learn the consumers' attitude and can assist the company to fit product with consumer's needs. Because attitude is difficult to change (Sibley, Liu & Kirkwood, 2006), to understand consumer's attitude toward

purchasing intention of luxury goods can also help marketers predict sales and evaluate the future growth of luxury goods.

However, attitudes can be developed from personal experience and learning, as well as from information from friends, family and colleagues. Hence, this research identifies which social groups relate to consumer's purchasing intentions of luxury goods as well as attitude. The findings can help the industry in setting marketing strategy to reach consumers and influence them to purchase. Consequently, the company which better understand consumer's purchasing intentions will have a strong competitive advantage in the luxury market. This research also identifies which demographic factors relating to consumer's purchasing intentions. By knowing consumers' demographics, marketing managers can then use them to formulate appropriate segmentation strategies.

6. Scope of the Research

Theory of Reasoned Action (Ajzen & Fishbein, 1980) is applied to explain consumer's purchasing intentions of luxury goods. The objectives of this research are to determine the factors relating to consumer's purchasing intentions of luxury goods, and to determine the relationships between each of three independent variables (attitude, subjective norms, and demographics) and consumer's purchasing intentions of luxury goods.

In this research, a questionnaire survey is used to collect data from the target population, which is Thai flight attendants working at Suwannabhumi airport including their families and friends who can afford to buy luxury goods.

To increase research effectiveness, this research focuses specifically on customers who use a specific type of luxury-brand. The luxury apparel goods which

are selected for this research include bags, watches, and sunglasses. According to the China Association of Brand Strategy's statistics, products such as watches, suitcases and bags, cosmetics, clothes and jewelry are the main luxury goods that are consumed regularly (An, 2005). Many consumers also willing to be part of this segment by purchasing less expensive items of the same brand such as perfume, sunglasses, etc (Fonseca, 2005).

In addition, the examples of luxury brands are Hermes, Louis Vuitton, Gucci, Christian Dior, Chanel, Prada, Chloe, Fendi, Armani, Rolex, Cartier, Omega, and other brands that have similar or higher brand image.

7. Definition of Terms

Attitude: "A person's enduring favorable or unfavorable evaluation, emotional feeling, and action tendencies toward some object or idea" (Kotler & Keller, 2006, p.184).

Behavioral Intention: Assumed to capture the motivational factors that influence a behavior. "It indicates how hard people are willing to try, or how much of effect they are planning to exert, in order to perform behavior" (Ajzen, 1991, p.190).

Consumer Behavior: The study of how people buy, what they buy, when they buy and why they buy. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants. In addition, it also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general (Wikipedia, http://en.wikipedia.org/wiki/Consumer_behaviour).

Demographics: Selected population characteristics as used in marketing. Commonly-used demographics include race, age, income, educational attainment, home ownership, and gender (Wikipedia, <http://en.wikipedia.org/wiki/Demographics>).

Intention to Purchase: A decision plan to buy a particular product or brand created through a choice/decision process (Marketingpower, <http://www.marketingpower.com/mg-dictionary-view3773.php>).

Luxury Brands: Outstanding brands, justifiably priced highly and destined, at least primarily, to a selected group of the social-economic elite (Herman, 2007). It may also include certain brands whose names are associated with luxury, high price, or high quality, though few, if any, of their goods are currently considered luxury goods (Wikipedia, http://en.wikipedia.org/wiki/Luxury_brand).

Luxury Goods: Goods those are remarkably superior to the comparable substitutes in terms of their design, quality, durability or performance (Wikipedia, http://en.wikipedia.org/wiki/Luxury_good). Another major attribute of goods that is considered to be in the luxury category is the perception that they are scarce (Giacalone, 2006, p.1). In this research, the luxury apparel goods which are selected for studying are bags, watches, and sunglasses.

Subjective Norms: "The individual's perception of social pressure to engage or not in the target behavior" (Ajzen, 1991, p.188).

8. Limitations of the Research

The limitations of the research are as follows:

1. **A*** spatial area of this research is limited only to the Suwannabhumi airport area. Therefore, it cannot be generalized to respondents in other areas of Thailand.

2. There are many socio-psychological factors relating to consumer's purchasing intentions of luxury goods but this research focuses on three main factors, which are attitude, subjective norms, and demographics.
3. Only the stated intent of potential consumers with respect to the purchase of luxury goods is identified. The data is gathered at a time when the respondents are in the process of making decisions about purchasing luxury goods.



CHAPTER 2

REVIEW OF LITERLATURE

In this chapter, all of relevant theories and concepts relating to the independent and dependent variables of the study are included. In the first section, the researcher describes related theories and framework. In the second section, the researcher focuses on definitions and features of independent and dependent variables. In the last section, previous studies are reviewed.

1. Theoretical Foundation

A plethora of theories is adopted in the study of consumer behavior. However, Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) are most widely accepted model used to explain consumer behavior (Kokkinaki, 1999; Lyong Ha, 1998; Summers, Belleau & Xu, 2006; Tarkiainen & Sundqvist, 2005).

In this section, a Five-Stage Model of the Consumer Buying Process which is a basic model of consumer buying behavior and the two major related theories which are Theory of Reasoned Action (TRA; Ajzen & Fishbein, 1980) and Theory of Planned Behavior (TPB; Ajzen, 1991) are reviewed.

1.1 Consumer Buying Behavior Model

Hanna and Wozniak (2001) explained that consumer behavior is the study of how consumer select, purchase, use, and dispose of goods and services to satisfy personal needs and wants. Therefore, the consumer buying behavior is the decision

processes and acts of final household consumers associated with evaluating, buying, consuming, and discarding products for personal consumption.

Marketing scholars have developed a "stage model" of the buying decision process (see Figure 2.1). The consumer passes through five stages: problem recognition, information search, evaluation of alternatives, purchase decision, and postpurchase behavior (Kotler & Keller, 2006).

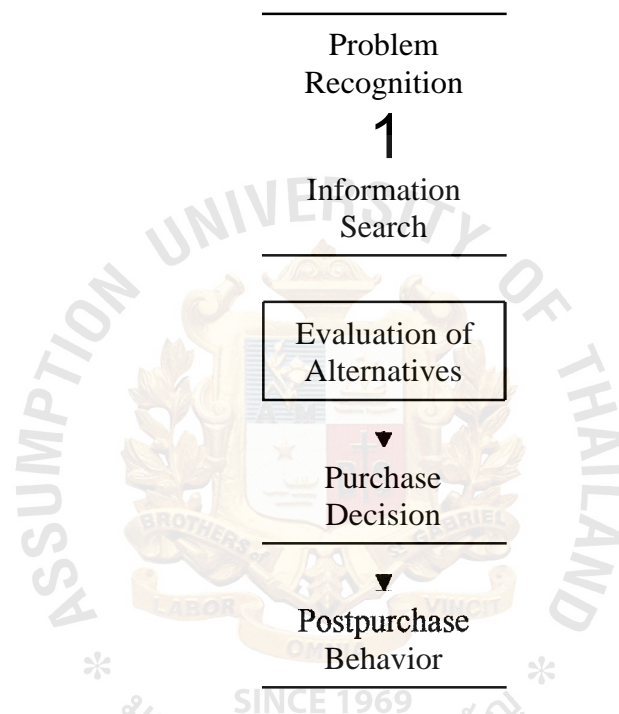


Figure 2.1: Five-Stage Model of the Consumer Buying Process

Source: Kotler, P. and Keller K. L. (2006). *Marketing Management*, 12th ed. Upper Saddle River, NJ: Prentice Hall, p.181

1.1.1 Problem Recognition

The buying process is initiated when a consumer recognizes a problem or need. The need can be triggered by internal source, one of the person's normal needs such as hunger, thirst, sex or external source such as marketing communications (Kotler & Keller, 2006).

1.1.2 Information Search

n 3 o f,
C?..

Kotler and Keller (2006) stated that an aroused consumer will be inclined to search for more information. There are two types of information searches which are internal search and external search. Internal search is a person's memory, while the external search occurs when a person needs more information. The key information sources compose of four groups. The first group is personal such as family, friends, neighbors, and acquaintances. The second group is commercial such as advertising, web sites, sales persons, dealers, and packaging. The third group is public such as mass media and consumer-rating organizations. The last group is experiential through handling, examining or using product. Through gathering information, the consumer learns about competing brands and their features.

1.1.3 Evaluation of Alternatives

There are some basic concepts that will help the marketers understand consumer evaluation processes. First, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities for delivering the benefits sought to satisfy this need (Kotler & Keller, 2006).

Kotler and Keller (2006) also mentioned that evaluations often reflect beliefs and attitudes. Through experience and learning, people acquire beliefs and attitudes. These in turn influence the buying behavior.

1.1.4 Purchase Decision

In the evaluation stage, the consumer forms preferences among the brands in the choice set. The consumer may also form an intention to buy the most preferred brand. In executing a purchasing intention, the consumer may make up to five-sub decisions including brand, dealer, quantity, timing, and payment method. In some

cases, consumers may decide not to formally evaluate each and every brand; in other cases, intervening factors such as attitudes of others and unanticipated situational factors may affect the final decision (Kotler and Keller, 2006).

1.1.5 Postpurchase Behavior

After the purchase, the consumer might experience some level of satisfaction or dissatisfaction. Therefore, marketers must monitor **postpurchase** satisfaction, **postpurchase** actions, and **postpurchase** product use and disposal. The outcome of **postpurchase** evaluation is a critical factor in this process. Feelings of satisfaction or dissatisfaction are instrumental in determining whether consumers will repeat the act of purchasing the brand (Hanna & Wozniak, 2001).

1.1.6 Categories that Affect the Consumer Buying Decision Process

A consumer's buying behavior is influenced by cultural, social, and personal factors (Kotler & Keller, 2006). Culture, subculture, and social class are particularly important influences on consumer buying behavior. Culture is the fundamental determinant of a person's wants and behavior. Subcultures include nationalities, religions, racial groups, and geographic regions.

In addition to cultural factors, a consumer's behavior is influenced by social factors such as reference groups, family, and social roles and statuses. Moreover, it also influenced by personal characteristics. These include the buyer's age and stage in the life cycle, occupation and economic circumstances, personality and self-concept, and lifestyle and values.

The following theories which are Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) were developed based on the consumer buying behavior model (Ajzen, 1991; Ajzen & Fishbein, 1980).

1.2 Theory of Reasoned Action (TRA)

The Theory of Reasoned Action (TRA) was developed by Martin Fishbein and Icek Ajzen (1980). It was derived from previous research that started out as the theory of attitude, which led to the study of attitude and behavior. The TRA model was explicitly constructed to explain relationships between attitude, subjective norm and behavior by using the variables of attitude, subjective norm, behavioral intention, and behavior.

According to the theory, a person's behavioral intention (BI) is determined by two factors. One is the individual's attitude towards the behavior (AB), and the other is the person's perception of the social pressures placed on him/her to perform or not perform the behavior in question, referred to the subjective norm (SN). The model can be represented by the following formula:

$$BI = w_1 (AB) + w_2 (SN)$$

where:

		Behavior
BI	=	Behavioral intention
AB	=	One's attitude toward the behavior
SN	=	One's subjective norm
		Empirically derived weights

Although the above concepts and variables are the focus of the theory and are considered as the center for predicting and understanding human behavior, Ajzen and Fishbein (1980) proposed that certain "external variables" may affect behavior indirectly by their effects on behavioral beliefs, outcome evaluations, normative beliefs, motivation to comply, or on the relative weights of the attitude and normative

components. They suggested that external variables such as traditional attitude towards objects, personality traits, and demographics could provide insight into the factors determining beliefs which, in turn, could provide a better understanding of the behavior in question.

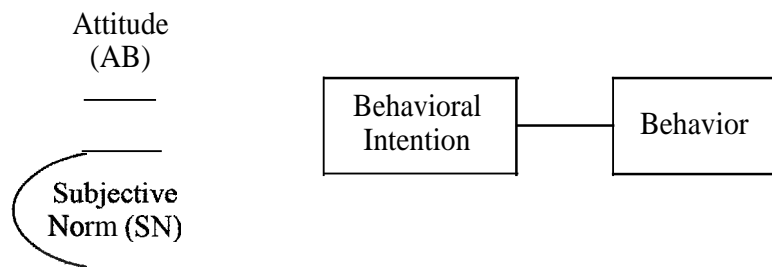


Figure 2.2: Theory of Reasoned Action

Source: Ajzen, I. and Fishbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior*, Prentice-Hall, p.84

However, the Theory of Reasoned Action has some limitations. Sheppard, Hartwick and Warshaw (1988) argued that there are three limiting conditions on the use of attitude and subjective norm to predict intention and the use of intention to predict the performance of behavior. First, the distinction between a goal intention (an ultimate accomplishment such as losing 10 pounds) and a behavioral intention (taking a diet pill). Second, the presence of choice may dramatically change the nature of the intention formation process and the role of intention in the performance of behavior. Third, it is quite different when what one intends to do and what one actually expects to do.

Nevertheless, Sheppard et al. (1988) agreed that the model performs very well in the prediction of goals and activities involving an explicit choice among alternatives. In addition, many researchers suggested that the TRA model could be

adopted as the basis model in predicting purchasing intention of products (Kokkinaki, 1999; Summers, Belleau & Xu, 2006). The TRA was also applied to re-conceptualize brand loyalty by Lyong Ha (1998). Consequently, the TRA model has been applied to study consumer's purchasing intentions of luxury goods which does not fall within the boundary conditions originally specified for it.

1.3 Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) was proposed by Icek Ajzen (1991) as an extension of the theory of reasoned action. It is one of the most predictive persuasion theories. It has been applied to studies of the relations among belief, attitudes, behavioral intentions and behaviors.

It was proposed due to the fact that the results of some studies did not show that behavioral intention always leads to actual behavior because of circumstantial limitations. Namely, since behavioral intention cannot be the exclusive determinant of behavior where an individual's control over the behavior is incomplete, Ajzen (1991) introduced Theory of Planned Behavior by adding a new component which is the perceived behavioral control (PBC).

The perceived behavioral control (PBC) refers to the perceived ease or difficulty of performing the particular behavior. It is assumed that the perceived behavioral control is determined by the total set of accessible control beliefs such as past experience, anticipated impediments and obstacles (Ajzen, 1991).

In combination, attitude towards the behavior, subjective norm, and perceived behavioral control lead to the formation of a behavioral intention. As a general rule, the more favorable the attitude and subjective norm, and the greater the perceived control, the stronger should be the person's intention to perform the behavior in

question. Finally, given a sufficient degree of actual control over the behavior, people are expected to carry out their intentions when the opportunity arises. Intention is thus assumed to be the immediate antecedent of behavior (Ajzen, 1991).

However, because many behaviors pose difficulties of execution that may limit volitional control, the perceived behavioral control is thought to have an additional direct effect on behavior (Ajzen, 1991). Therefore, the TPB can be expressed as the following mathematical function:

$$BI = w_1 (BI) + w_2 (PBC)$$
$$BI = w_3 (AB) + w_4 (SN) + w_5 (PBC)$$

where:

- Behavior
- BI = Behavioral intention
- AB = One's attitude toward the behavior
- SN = One's subjective norm
- PBC = One's perceived behavioral control

Empirically derived weights

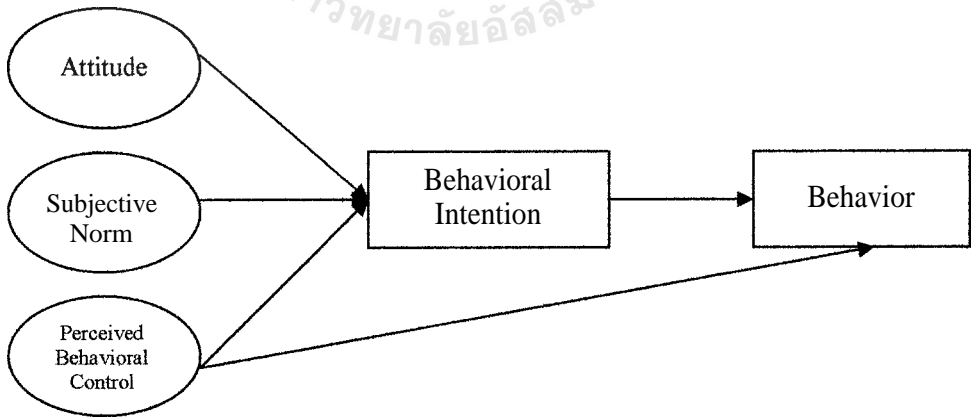


Figure 2.3: Theory of Planned Behavior

Source: Ajzen, I. (1991). The Theory of Planned Behavior, *Organizational Behavior and Human Decision Processes*, 50, p.182.

Nevertheless, there are some limitations of Theory of Planned Behavior. Compared to affective processing models, TPB overlooks emotion variables such as threat, fear, mood and negative or positive feeling and assesses them in a limited fashion. In addition, Ouellette and Wood (1998) argued that behaviors performed frequently (i.e., on a daily or weekly basis) in stable predictable contexts become habitual and are therefore less likely to be guided by variables found in the theory.

Tarkiainen and Sundqvist (2005) studied subjective norms, attitudes and intentions of Finnish consumers in buying organic food. They tested the extension of the Theory of Planned Behavior (TPB) in an organic food buying context. The result showed that relationship between subjective norms and attitudes toward buying organic food was significant. Subjective norms were found to influence attitudes, which differ from the original Theories of Reasoned Action and Planned Behavior. However, the relationship between the perceived behavioral control (perceived availability and behavioral constraints i.e. price) and buying intentions was insignificant.

Chiou, Huang and Chuang (2005) studied the relative importance of adolescents' attitude towards an act (the degree to which the person had a favorable or unfavorable evaluation or appraisal of the act's behavior in question), perceived norm, and perceived behavioral control in predicting Taiwanese adolescents' intention to purchase the merchandise of a celebrity when they had different levels of celebrity adoration by using the TPB model. The results showed that the relative strengths of attitude toward the act and the perception of behavioral control in predicting purchasing intention toward the merchandise of a celebrity were stronger for adolescents in the celebrity adoration group than for adolescents in the celebrity non-adoration group. On the other hand, the relative importance of the perceived norm in

predicting the attitude toward the act and the purchasing intention was stronger for adolescents in the celebrity non-adoration group than for adolescents in the celebrity adoration group.

Kokkinaki (1999) studied the role of perceived control, past behavior and product involvement in predicting product purchase and usage. She examined the predictive validity of the Theory of Reasoned Action (TRA) and the incremental contribution of perceived control and past behavior. The study applied the TRA and its extended versions in the prediction of intentions to purchase and use a durable, technical product. The overall findings support the assumption that the predictive value of these variables depends on the nature of the behavior. Perceived control was a strong predictor of purchasing intentions and the component of the Theory of Planned Behavior (TPB) afforded the optimal prediction. In the prediction of usage intentions; however, the addition of perceived control did not increase the amount of explained variance above that afforded by the TRA.

Terry and O'Leary (1995) also noted that the perceived behavioral control had no effect on behavioral intentions. From the findings of these studies (Chiou, 1998; Tarkiainen & Sundqvist, 2005; Terry & O'Leary, 1995), the perceived behavioral control (in TPB) which is the additional component from the TRA was not related to buying intentions. Moreover, a study done by Chiou (1998) stated that the perceived behavioral control reflects a person's self-confidence in the ability to form behavioral intention. For instance, when a person has high level of self-confidence in evaluating a product purchasing decision, the perceived behavioral control will not be a major issue influencing his/her intention. Consumer of luxury goods might be considered as a person with high level of self-confidence in evaluating a product purchasing

decision. It is therefore perceived behavioral control would not be a major issue relating consumer's purchasing intentions in this study.

Furthermore, a study of Summers, Belleau and Xu (2006) which used TRA model to predict purchasing intention of a controversial luxury apparel product suggested that the TRA model could be used to predict the purchasing intention of other controversial and/or luxury fashion merchandise. Accordingly, TRA model is the appropriate model to be applied to examine factors relating to consumer's purchasing intentions of luxury goods.

2. Theoretical Framework

For this research, the framework which the researcher conceptualized for explaining the factors relating to consumer's purchasing intentions of luxury goods is based on Theory of Reasoned Action (TRA; Fishbein & Ajzen, 1980). Theory of Planned Behavior (TPB; Ajzen 1991) is not used because the additional component, perceived behavioral control (PBC), which reflects a person's self-confidence in the ability to form behavioral intention, is not a major factor for luxury goods purchasing intention. In this research, luxury goods' consumers tend to have high self-confidence in purchasing decision. According to the study of Chiou (1998), when a person has high self-confidence, the perceived behavioral control will not be a major issue relating behavior intention. Moreover, the target population is Thai flight attendants including their families and their friends who can afford to buy luxury goods.

3. Conceptual Framework

The conceptual model is developed by identifying three major factors affecting behavioral intention. The first major factor is Attitude, which is determined

by perceived quality. The second major factor is Subjective Norms, which are determined by social influences. The third major factor, which is the additional factor from the TRA model, is Demographics which are composed of Age, Gender, Occupation, Education, and Income.

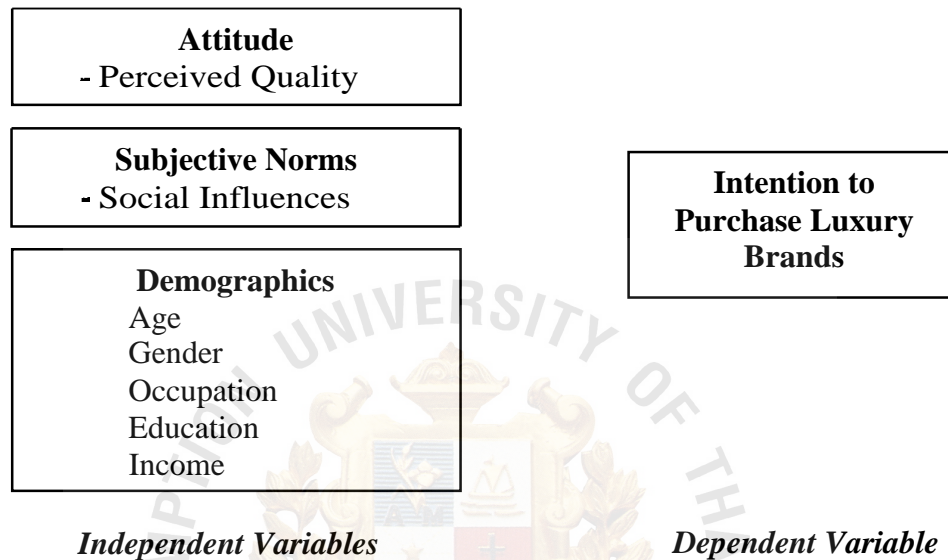


Figure 2.4: Conceptual Framework, adapted from the TRA model of Ajzen, I. and Fishbein, M. (1980, p.84)

4. Definitions and Features of Main Variables

This section elaborates on the review of literature related to Attitude, Subjective Norms, and Demographics, which are key independent variables, and Purchasing Intention, a dependent variable of the study.

4.1 Attitude

Attitude is an emotion that all people get when they have other emotions. Attitudes are positive, negative or neutral views of an attitude object. People can also be ambivalent towards a target, meaning that they simultaneously possess a positive

and a negative bias towards the attitude in question. Attitude represents a summary evaluation which a psychological object captures in such attribute dimensions such as good-bad, harmful-beneficial, pleasant-unpleasant, and likeable-dislikeable (Ajzen, 2001).

Solomon (1999) stated that attitude is focused on the perceived consequences of a purchase. Knowing how someone feels about buying or using an object, seems to be more valid than merely knowing the consumer's evaluation of the object itself. Attitude towards behavior is recognized as a person's positive or negative evaluation of a relevant behavior and is composed of a person's salient beliefs regarding the perceived outcomes of performing a behavior (Shim, Eastlick, Lotz & Warrington, 2001). In this research, attitude is focused on the perceived consequences of using luxury goods which is perceived quality.

4.1.1 Perceived Quality

Perceived quality refers to the consumer's judgments about a product's or service's overall excellence or superiority. It acts as a global assessment, resulting from product and service-related benefits. Superior quality is a taken-for-granted attribute of luxury-brand products, and consumers usually look at the prestige and premium price of luxuries in inferring that they have higher level of quality than that of non-luxuries (Nia & Zaichkowsky, 2000; O'Cass & Frost, 2002).

Perceived quality is a subjective dimension of quality and closely related to the user-based approach. Some of these quality characteristics: reliability, durability, conformance, serviceability, aesthetics are inherent, while others are ascribed to the products (Koskennurmi-Sivonen & Pietarila, 2005). Perceived value—through quality of design, materials, and manufacture—is another key component of the luxury goods equation (Hanna, 2004).

In a research project on consumer decision-making styles, Hafstrom, Chae and Chung (1992) identified eight styles that represent how consumers choose products; among these styles 'perfectionism and high-quality consciousness' constitutes a segment of consumers who highly concerned about product quality and inclined to buy luxury brands mainly due to their perceived excellence in quality and performance.

Perceived quality implies that quality is not universal. The consumer's perception depends on his/her needs, wants, and experience. Therefore, in this research, the four key quality features of luxury goods: design, materials, manufacture, and durability are studied in order to determine which component has a significance relationship with consumer's purchasing intentions of luxury goods.

4.2 Subjective Norms: Social Influences

Subjective norm is a function of normative beliefs, which represents a person's perception of whether significant referents approve or disapprove of a behavior (Shim et al., 2001). A norm has its effects because the specific group is relevant to people's behavior. There is the widely belief that individuals who are admired or who belong to a group which other individuals aspire can exercise an influence on information processing, attitude formation, and purchase behavior (Bearden, Netemeyer & Teel, 1989). Individuals appear to act in a manner that is consistent with the social group which they identify. From a consumer-behavior perspective, it appears that products and brands that individuals select can be influenced by their reference groups.

Childers and Rao (1992) suggested two types of reference groups in their research. Parents, teachers, and peers are representative of *normative referents* who

provide the individual with norms, attitudes, and values through direct interaction. *Comparative referents*, such as sports heroes and entertainment figures, provide standards of achievement which individuals aspire and are relatively further removed from the individual; thus, the individual is only able to observe the behavior of the referent and does not directly interact with him or her. Therefore, two groups of referents which are normative and comparative referents will be studied in this research project.

4.2.1 Normative Referents

According to the definition of Fishbein and Ajzen (1980), members in a normative group (such as family members, classmates, and friends) may interact with the focal person frequently in daily life, whereas members in a fan group may only have contacts through celebrity activities, concerts, and electronic means, such as the Internet. In the study of Childer and Rao (1992), the finding suggested that the influence of peers is likely to be somewhat higher for luxuries than necessity goods in general. They also mentioned that in comparing between Thais and Americans, Thai people are clearly influenced more by parents and other family members than by peers for both private and public products consumption.

4.2.2 Comparative Referents

A comparative referent group is used to describe a group which individuals use as a standard or point of reference in making evaluations or comparisons of themselves (Dawson & Chatman, 2001). In this study, celebrities are the comparative referents. Celebrities are people that exert significant influence in several facets of society, ranging from arts, music, movies and television, sports, culture, politics and even religion. They range from film and television stars to musicians, sports personalities, royals, politicians, and even socialites who have no defined careers

apart from looking beautiful and attending the right events. In the fashion world, the list of celebrities would include designers, their muses, models, photographers, and any prominent person involved in the artistic aspects of fashion such as make-up artists and fashion consultants. The celebrities that are most utilized in the promotion of luxury fashion brands are those in the film and music industries as a result of the major role that fashion plays in these entertainment sectors (Okonkwo, 2005).

The evidence suggests that celebrity adoration has become ubiquitous throughout the world in recent decades (McCutcheon, Lange & Houran, 2002). Giles (2000) explained the prevalence of celebrity adoration in modern societies as direct products of mass media and communications. Celebrities are extremely important and valuable to brands, especially in the luxury fashion sector. Saadi (2007) pointed out that celebrity endorsement is influencing the increasing success of designer handbags. Younger faces have been hired to represent labels like Dooney & Bourke and Louis Vuitton, and some younger celebrities have been photographed showing their support by carrying their favorite designer bags.

4.3 Demographics

Consumer demographics are the external influence factors that include the consumer's gender, age, occupation, education, income, interest, and living area, etc. Hanna and Wozniak (2001) defined demographics as the most common basis for segmenting consumer markets. Marketers' preferences for using demographic data to segment markets rest on the relative ease of measuring them as well as their close link to demand for many products and services.

As mentioned by Kotler (2000), demographic variables are the most popular bases for distinguishing customer groups. One reason is that consumer wants,

preferences, and usage rates are often associated with demographic variables. Solomon (1999) cited that demographic studies are of great interest to marketers because the data can be used to locate and predict the size of markets for many products, ranging from home mortgages to brooms.

4.3.1 Age

"Consumers of different age groups obviously have very different needs and wants" (Solomon, 1999, p.10) Schiffman and Kanuk (2000) mentioned that product needs often vary with consumer age; marketers have found age to be a particularly useful demographic variable to distinguish segments. Many marketers have carved themselves in niche in the marketplace by concentrating on a specific age segment. Kotler (2000) also stated that since consumer wants and abilities change with age, people buy different goods and services over their lifetime.

The research of Pictet & Cie (2005) showed that the boom in luxury goods is being driven by demographics. The 30-65 age group is the most receptive to premium brands, and this age segment is continuing to grow, especially in key emerging countries such as China and India. Statistics from Goldman Sachs in 2003 also showed that in China, purchasers of luxury goods are mostly between 20 and 30 years of age and the number of consumers in this age group is 11 times that of Japan (Dominick, 2005). However, in other countries, luxury goods are principally consumed by those in their thirties and forties and they are quite sophisticated consumers (Chinanews, 2005).

4.3.2 Gender

Hanna and Wozniak (2001) stated that gender is also used as a basis for segmentation for a variety of products and services. Gender has always been a distinguishing segmentation variable. Kotler (1997) suggested that gender influences

to consumers' thinking, values, attitudes, behavior, wants, and purchase decision. Skinner (1994) mentioned that marketers who are generally segmented on the basis of gender include clothes, cosmetics and toiletries, magazines, and cigarettes and changing roles among men and women continue to influence the marketing strategies of many firms.

According to Unity Marketing, a consulting firm, women purchase about 65 percent of luxury goods (Vora, 2007). The globalization of western standards is also important, highlighted by a strong rise in tourism and a rise in educated, working women. Women are increasingly image-conscious and their purchasing power is growing (Pictet & Cie, 2005).

4.3.3 Occupation

Kotler (2000) mentioned that a person's occupation influences consumer's consumption pattern. A blue-collar worker will buy necessity items, but a company president will buy expensive or luxury items. Occupation reflects values, attitudes, taste, and lifestyle. Occupation, income and education tend to be closely correlated on almost a cause-and-effect relationship. High level occupations—those that produce high income usually require advanced educational training (Schiffman & Kanuk, 2000).

4.3.4 Education

Hawkins, Best, and Coney (2001) explained that education is relatively simple to measure. Educational level is correlated with both occupation and income. In addition, it influences the lifestyle and therefore consumption patterns of individuals in a direct manner. Education clearly drives income to today's economy. Those with a limited education are generally at a disadvantage not only in earning money but also

in spending it wisely, so education has a strong influence on one's tastes and preferences.

4.3.5 Income

Schiffman and Kanuk (2000) stated that income has long been an important variable for distinguishing market segment. The major problem with segmenting the market on the basis of income alone is that income simply indicates the ability or inability to pay for a product, while the actual choice may be based on personal lifestyle, taste, and values. Income is largely determined by occupation and education. Kotler (1997) stated that the consumer forms a purchasing intention based on such factors as expected family income, price and expected benefits from the product. Dubois and Duquesne (1993) also mentioned that there is a strong correlation of luxury goods consumption with income.

4.4 Behavioral Intention: Purchasing Intention

According to TRA and TPB model, behavioral intention serves as the mediator between consumer's attitude toward product, subjective norms and their actual purchase behavior. Behavioral intention represents motivational components of a behavior, which is the degree of conscious effort that a person will exert in order to perform a behavior (Shim et al., 2001). Ajzen and Fishbein (1980) described that behavior intention is a probability, as rated by the subject, that a person would perform the behavior.

For this research, behavioral intention can be classified as consumer's purchasing intentions of luxury goods. Douglas and Wind (1971) concluded in their study of intentions to buy as predictors of buying behavior that behavioral intentions may effectively be used to predict purchasing intentions. Consequently, the

consumer's intention to purchase the products was used as the dependent variable in the study.

5. Previous Studies

The researcher has reviewed some empirical research studies (Chiou, Huang & Chuang, 2005; Kokkinaki, 1999; Chiou 1998) mainly focus on attitudes and subjective norms with purchasing intention. The results of these previous studies found that attitudes and subjective norms were significant in some degree with behavioral intention. Moreover, one study using TRA model to predict purchasing intention of a controversial luxury apparel product suggested that the TRA model could be used to predict purchasing intention of other controversial and/or luxury fashion merchandise (Summers, Belleau & Xu 2006).

Summers, Belleau and Xu (2006) studied the affluent female consumers' purchasing intention of a controversial luxury product, apparel made with American alligator leather by using the Theory of Reasoned Action (TRA). Influence variables evaluated in the model included: attitude toward performing the behavior (purchasing alligator leather apparel); subjective norm, fashion involvement; controversy perception; price perception (price-quality schema and prestige sensitivity); personality traits; and demographics. The general linear model regression analysis revealed that attitude toward performing the behavior, subjective norm, controversy perception (social acceptance), and fashion involvement were significant predictors of purchasing intention. They also suggested that the TRA model could be used to predict purchasing intention of other controversial and/or luxury fashion merchandises.

6. Research Hypotheses

After developing the conceptual framework and identifying proper variables, the researcher sets the hypothesis statements based on variables in the conceptual framework. In this research, three groups of independent variables are hypothesized against dependent variables.

Group 1: Attitudes and Purchasing Intentions

H₀₁: There is no relationship between perceived quality and consumer's purchasing intentions of luxury goods

Group 2: Subjective Norms and Purchasing Intentions

H₀₂: There is no relationship between social influences and consumer's purchasing intentions of luxury goods

Group 3: Demographics and Purchasing Intentions

H₀₃: There is no difference in consumer's purchasing intentions of luxury goods when determined by age

H₀₄: There is no difference in consumer's purchasing intentions of luxury goods when determined by gender

H₀₅: There is no difference in consumer's purchasing intentions of luxury goods when determined by occupation

H₀₆: There is no difference in consumer's purchasing intentions of luxury goods when determined by education

H₀₇: There is no difference in consumer's purchasing intentions of luxury goods when determined by income

7. Operationalization of the Variables

In this section, the operationalization table contains a concept, definition, operational components and measurement type of independent and dependent variables. The table is separated into four parts, which are attitudes, subjective norms, demographics, and purchasing intention.

Table 2.1: Operationalization of the Variables

Part I: Attitudes toward Purchasing Luxury Goods

Concept	Definition	Operational Component	Type of Measurement
Perceived Quality	The degree to which consumers perceive luxury goods as high quality and durable.	<ul style="list-style-type: none"> ● Quality of Design ● Quality of Material ● Quality of Manufacture ● Duration of Use 	Interval

Part II: Subjective Norms

Concept	Definition	Operational Component	Type of Measurement
Social Influences	The extent to which members of social network and society influences one's behavior.	<ul style="list-style-type: none"> ● Family ● Friends ● Colleagues ○ Celebrities 	Interval

Part III: Demographics

Concept	Definition	Operational Component	Type of Measurement
Age	The length of time a person has existed.	<ul style="list-style-type: none"> ● Individual's age range 	Ordinal

Concept	Definition	Operational Component	Type of Measurement
Gender	Sexual identity of one person.	● Individual's gender	Nominal
Occupation	An activity that serves as a person's regular source of livelihood.	● Individual's career	Nominal
Education	Highest education level completed.	● Individual's highest degree	Ordinal
Income	The amount of money received during a period of time as salary.	● Individual's monthly income	Ordinal

Part IV: Purchasing Intention

Concept	Definition	Operational Component	Type of Measurement
Intention to purchase luxury goods	The probability that respondents will purchase luxury goods.	● The likelihood of purchasing luxury goods	Interval

CHAPTER 3

RESEARCH METHODOLOGY

The purpose of this chapter is to provide an overview of research methodology that is employed in this research. This consists of the method of procedure, research instruments, sampling design, target population, sampling size, sampling method, data collection technique, and statistical method for data analysis.

1. Type of the Research

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. This type of research involves either identifying the characteristics of an observed phenomenon or exploring possible correlations among two or more phenomena. The descriptive research was thus conducted to explain consumer's purchasing intentions of luxury goods by determining the factors relating to consumer's purchasing intentions of luxury goods and the relationships between each of three main independent variables (attitudes, subjective norms, demographics) and dependent variable (purchasing intention).

2. Design of the Research

The descriptive research that was used is a cross-sectional survey. The researcher will collect primary data by surveying the sample only once. Survey research identifies characteristics of a particular group, measures attitudes, and

describes behavioral patterns. The questionnaire was used to collect information about people's attitudes, beliefs, feelings, and behaviors. Zikmund (2003) mentioned that this method provides advantages of quickness, inexpensiveness, efficiency, and accuracy in terms of assessing information about the respondents.

3. The Research Instrument Development

3.1 Questionnaire

To collect the data following the conceptual framework and hypotheses, the questionnaire of this research was designed by dividing it into four parts, which are attitudes, subjective norms, purchasing intention, and demographics.

Part 1: Attitudes

This part contains four questions for evaluating attitudes of respondents toward luxury goods by using a five-point Likert scale, ranging from strongly agree to strongly disagree. The underlying attitude belief structure comprises of perceived quality, which is divided into quality of design, quality of material, quality of manufacture, and duration of use. The questions are as follows:

Question 1: They have stylish appearance and design.

Question 2: They have better-quality components and materials.

Question 3: They are produced by the neat procedure with high standard.

Question 4: They are more durable than normal goods.

Part 2: Subjective Norms

This section involved the study of factors related to subjective norms influencing respondents in their purchase of luxury goods by using a five-point Likert scale, ranging from most influence to least influence. In this section, the questionnaire contains four questions asking the level of influence of the following factors:

Question 5: Family

Question 6: Friends

Question 7: Colleagues

Question 8: Celebrities

Part 3: Purchasing Intention

The third part is meant to measure purchasing intention toward luxury goods. This part contains five questions for evaluating respondents how likely they are to purchase a luxury good which are:

Question 9: I prefer to buy luxury brands when I want some goods.

Question 10: I'm planning to buy a luxury good.

Question 11: I will buy luxury goods when I want bags, watches, and/or sunglasses.

Question 12: I will definitely buy luxury goods when I want bags, watches, and/or sunglasses.

The first four questions using a five-point Likert scale, ranging from strongly agree to strongly disagree. While the last question asks about the period of intention to purchase:

Question 13: I will buy luxury goods within... (3 months, 6 months, 1 year, 2 years, more than 2 years)

Part 4: Demographics

In the last part, the questions are intended to gather demographic data, that is, personal information of the respondents. There are five questions, which are gender, age, occupation, education, and income.

3.2 Pre-testing

Pre-testing, or pilot testing, is an important part of the research process. In a pre-testing, the questionnaire was administered to a small group similar to the target sample for the purpose of identifying and eliminating potential problem (Malhotra, 1999). Ordinarily, the pre-test sample size is small, varying from 15 to 30 respondents for the initial testing, depending on the heterogeneity of the target population. Therefore, to pretest this study, the researcher distributed questionnaires to 30 respondents.

For this pre-testing, the Cronbach's alpha was used to test reliability. Cronbach's alpha will generally increase when the correlations between the items increase. For this reason the coefficient is also called the internal consistency or the internal consistency reliability of the test. The coefficient varies from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra, 1999).

Table 3.1: Reliability Statistics

Variables	Number of Items	Cronbach's Alpha
Attitudes (Perceived Quality)	4	0.765
Subjective Norms (Social Influences)	4	0.789
Purchasing Intention	4	0.957

From Table 3.1, the results of reliability analysis of all variables had values greater than the standard value of 0.6. Therefore, it can be concluded that this questionnaire has satisfactory internal consistency reliability.

4. Population and Sampling

The process of sampling involves any procedure using a small number of items or parts of a larger population to make conclusions about the whole population. The purpose of sampling is to enable researcher to estimate some unknown characteristics of the population. Once the decision to sample has been made, the first question related to sampling concerns identifying the target population, that is, the complete group of specific population elements relevant to the research project.

4.1 Target Population

The population is defined as any complete group of entries that shares some common set of characteristics (Zikmund, 1997). The target population is Thai flight attendants from various airlines including their families and their friends. These groups of people are luxury-brand bags, watches, and sunglasses' potential consumers due to their lifestyles and high income. The survey was conducted at the airlines offices located in Suwannabhumi airport.

The examples of luxury apparel brands for this research are Hermes, Louis Vuitton, Gucci, Christian Dior, Chanel, Prada, Chloe, Fendi, Armani, Rolex, Cartier, Omega, and other brands that have similar or higher brand image.

4.2 Sample Size

For this research, the sample size was determined by estimating proportion. The researcher makes a judgment about confidence level and the maximum allowance for random sampling error. Further, the size of the proportion influences random sampling error. Sample size was calculated by using the following formula (Zikmund, 1997).

$$Z^2 pq / E^2$$

where,

		number of sample size
Z^2	=	square of the confidence level in standard error units
		estimated proportion of success
		(1-p), or estimated proportion of failures
E^2	=	square of maximum allowance for error between the true proportion and sample proportion

In this study, it is estimated at 95 percent confidence. Then, the number of standard score of Z associated with 95 percent confidence level is equal to 1.96. The estimated proportion of success is assumed to be 50 percent. The allowance for sampling error is set at 5 percent. Substituting these values into the formula above, the researcher finds:

$$n = \frac{(1.96)^2(0.5)(0.5) / (0.05)^2}{384.16}$$

$$n = \frac{(3.8416)(0.25) / (0.0025)}{384}$$

Therefore, a sample size of approximate 384 respondents will ensure that the research objections are met. However, for the data to be more reliable, and to decrease the deviations, this research used 390 respondents as the sample size. The questionnaires were distributed to 450 persons and 390 were completed and returned for a response rate of 87 percent.

4.3 Sampling Method

Non-probability sampling was proposed to be used in this study because the population being selected is unknown. Convenience sampling method was employed to collect data. In convenience sampling, the selection of units from the population is based on easy availability and/or accessibility.

5. Collection of the Data

In accordance with data collection for this research, both primary and secondary sources were examined. The primary data used to determine factors relating to consumer's purchasing intentions of luxury goods and relationships between each of three independent variables (attitude, subjective norms, demographics) and dependent variable (purchasing intentions) was collected through the survey with questionnaires distributed to the target population in Suwannabhumi airport, whereas the secondary data used to identify the relevant theories, information, and findings and used to make comparisons was collected from several sources including textbooks, journals, articles, previous researches, news and internet.

In this research, the self-administered survey method was applied. This survey technique requires the respondent to complete the questionnaire him/herself. The questionnaires were distributed in person at the airlines offices located in Suwannabhumi airport and through the use of email and fax. The name lists of the target population would be received from the airlines companies such as Thai Airways, Jalways, Bangkok Airways, Thai AirAsia, etc.

A considerable advantage of the self-administered survey is the potential anonymity of the respondent, which can lead to more truthful or valid responses. Also, the questionnaire can be filled out at the convenience of the respondent. Since there is

no interviewer, interviewer error or bias is eliminated. The cost of reaching a geographically dispersed sample is more reasonable for most forms of self-administered surveys than for personal or telephone surveys.

After the data collection, editing procedures were conducted to make the data ready for coding and transfer to data storage. Editing is the process of checking and adjusting the data for omissions, legibility, and consistency. The purpose of editing is to ensure completeness, consistency, and readability of the data to be transferred to data storage. Then, the researcher checked for errors and omissions on the questionnaires or other data collection forms. When a problem was discovered, the data was adjusted to be more complete, consistent, and readable.

6. Data Processing and Analysis

The Statistical Package for the Social Sciences (SPSS) program was employed to tabulate and analyze the data. Descriptive statistics which are frequency, means, and standard deviation were used to describe the demographics of respondents which consist of gender, age, occupation, education and income, period of purchasing intention, and other main variables. The research hypothesis statements were tested by a Pearson correlation coefficient and one-way analysis of variance (ANOVA).

In this research, the Pearson correlation coefficient was used to indicate a linear relationship between attitudes (perceived quality) and subjective norms (social influences) with behavioral intention variable. ANOVA was used to test differences in the means of behavioral intention variables broken down by the levels of demographic variables (gender, age, occupation, education, and income). Malhotra (1999) stated that ANOVA is a statistical technique for examining the differences among means of two or more population.

Table 3.2: Summary of Statistical Analyses Used in Hypotheses Testing

No.	Hypothesis Statement	Statistic Measurement
H ₀₁	There is no relationship between perceived quality and consumer's purchasing intentions of luxury goods	Pearson Correlation Coefficient
H ₀₂	There is no relationship between social influences and consumer's purchasing intentions of luxury goods	Pearson Correlation Coefficient
H ₀₃	There is no difference in consumer's purchasing intentions of luxury goods when determined by age	ANOVA
H ₀₄	There is no difference in consumer's purchasing intentions of luxury goods when determined by gender	ANOVA
H ₀₅	There is no difference in consumer's purchasing intentions of luxury goods when determined by occupation	ANOVA
H ₀₆	There is no difference in consumer's purchasing intentions of luxury goods when determined by education	ANOVA
H ₀₇	There is no difference in consumer's purchasing intentions of luxury goods when determined by income	ANOVA

CHAPTER 4

DATA ANALYSIS AND RESULTS

In this chapter, the results and the analyses of primary data collected from 390 respondents were presented. Analyzing the data was divided into two parts. The first part presents the descriptive statistics analysis showing demographic data, period of purchasing intention, and the main variables. The second part is hypothesis testing. The first two hypotheses, which test the relationship between attitudes, subjective norms and purchasing intention, were tested by Pearson correlation coefficient. The last five hypotheses, which test the differences in purchase intention when determined by demographic factors, employed ANOVA.

1. Descriptive Statistics Analysis

In this section, descriptive statistics were used to describe the demographics of respondents which consist of gender, age, occupation, education and income, period of purchasing intention, and other main variables. Descriptive statistics describe data in terms of measures tendency found in the sample. The primary purpose of descriptive statistics is to describe or summarize the population and sample (Zikmund, 2003).

The demographic data of respondents and period of purchasing intention of luxury goods were presented in form of frequency counts and percentages. In addition, means and standard deviations of the main variables: attitude (perceived quality), subjective norms (social influences), and purchasing intention were portrayed.

1.1 Profile of the Respondents

1.1.1 Gender

As shown in Table 4.1, most of respondents were female, 271 respondents or 69.5% of the total respondents and the rest were male, 119 respondents or 30.5% of the total respondents.

Table 4.1: Gender

	Frequency	Percentage
Male	119	30.5%
Female	271	69.5%
Total	390	100.0%

1.1.2 Age

From Table 4.2, the majority of respondents aged between 26-33 years old, 183 respondents or 46.9% of the total respondents. The second highest was age group between 18-25 years old, 79 respondents or 20.3% of the total respondents. The third was age group between 32-41 years old, 68 respondents or 17.4% of the total respondents. The rest were groups of age between 42-49 years old and above 50 years old which represented 9.5% and 5.9% of the total respondents, respectively. Thus, the majority of respondents were young adults (less than 33 years old).

Table 4.2: Age

	Frequency	Percentage
18-25 Years	79	20.3%
26-33 Years	183	46.9%
34-41 Years	68	17.4%
42-49 Years	37	9.5%
Above 50 Years	23	5.9%
Total	390	100.0%

1.1.3 Occupation

Table 4.3 shows that the major occupation of respondents in this research was State's enterprise officer (Thai Airways International PCL.), 202 respondents or 51.8% of the total respondents. The second highest group was private sector employee, 84 respondents or 21.5% of the total respondents. Among 390 respondents, 46 respondents or 11.8% of the total respondents were government officials, and 43 respondents or 11.0% of the total respondents were business owners. The rest occupations were students and housewives, 2.3% and 1.5% of the total respondents, respectively.

Table 4.3: Occupation

	Frequency	Percentage
Student	9	2.3%
State's Enterprise	202	51.8%
Government Official	46	11.8%
Business Owner	43	11.0%
Private Sector Employee	84	21.5%
Housewife	6	1.5%
Total	390	100.0%

1.1.4 Education

As shown in Table 4.4, the education level of most respondents fall under bachelor degree, 249 respondents or 63.8% of the total respondents. Master degree accounted for 137 respondents or 35.1% of the total respondents and doctorate degree accounted for 4 respondents or 1.0% of the total respondents.

Table 4.4: Education

	Frequency	Percentage
Bachelor Degree	249	63.8%
Master Degree	137	35.1%
Doctorate Degree	4	1.0%
Total	390	100.0%

1.1.5 Income

According to Table 4.5, the majority of respondents had monthly income ranging between 45,001-55,000 baht that accounted for 106 respondents or 27.2% of the total respondents. The second group was those whose income was more than 55,000 baht, 104 respondents or 26.7% of the total respondents. The third group had income between 35,001-45,000 baht, 56 respondents or 14.4% of the total respondents. The rest of respondents had monthly income between 15,000-25,000 baht accounted for 13.1% of the total respondents, 25,001-35,000 baht accounted for 12.6% of the total respondents, and less than 15,000 baht accounted for 6.2% of the total respondents.

Table 4.5: Income

	Frequency	Percentage
Less than 15,000 Baht	24	6.2%
15,000-25,000 Baht	51	13.1%
25,001-35,000 Baht	49	12.6%
35,001-45,000 Baht	56	14.4%
45,001-55,000 Baht	106	27.2%
More than 55,000 Baht	104	26.7%
Total	390	100.0%

1.1.6 Period of Purchasing Intention

From Table 4.6, the major period of intention to purchase luxury goods of respondents was within 1 year, 123 respondents or 31.5% of the total respondents. The second group was within 6 months, 87 respondents or 22.3% of the total respondents. The third group was more than 2 years accounted for 80 respondents or 20.5% of the total respondents. The rest periods were within 3 months, 68 respondents or 17.4% of the total respondents and within 2 years, 32 respondents or 8.2% of the total respondents. In conclusion, most of respondents had intentions to purchase luxury goods within 1 year, accounted for 71.2% of the total respondents.

Table 4.6: Period of Purchasing Intention

	Frequency	Percentage
More than 2 Years	80	20.5%
2 Years	32	8.2%
1 Year	123	31.5%
6 Months	87	22.3%
3 Months	68	17.4%
Total	390	100.0%

1.2 Mean and Standard Deviation of Main Variables

In this section, the descriptive analysis of mean and standard deviation of the main variables: attitude (perceived quality), subjective norms (social influences), and purchasing intention were presented.

1.2.1 Arbitrary Level of Mean Interpretation

For the descriptive analysis of the main variables, the Arbitrary Level was used in rating respondents' agreement, shown as follows:

Table 4.7: Arbitrary Level

Arbitrary Level	Descriptive Rating
4.50-5.00	Strongly Agree
3.50-4.49	Agree
2.50-3.49	Neutral/Undecided
1.50-2.49	Disagree
1.00-1.49	Strongly Disagree

Source: Applied from Silpacharu T. (2006), *Research and Statistical Analysis by SPSS*, 5th ed. V. Inter Print, Bangkok, p.358

1.2.2 Perceived Quality

Table 4.8 presents the distribution of the respondents' level of agreement with the perceived quality and its attributes which are manufacture, material, durability, and design. Respondents generally had relatively positive attitudes toward luxury brands based on their agreement with all attributes with an average mean of 4.04 and standard deviation of 0.549. All attributes have means in the agreement range (3.84-4.18). Quality of manufacture had the highest mean at 4.18, followed by quality of material (mean = 4.09), durability (mean = 4.05), and quality of design (mean = 3.84). All attributes also had relatively low standard deviations, indicating high levels of agreement among the sampled respondents.

Table 4.8: Perceived Quality

	Mean	Std. Deviation
Manufacture	4.18	0.693
Material	4.09	0.686
Durability	4.05	0.757
Design	3.84	0.721
Perceived Quality	4.04	0.549

1.2.3 Social Influences

Table 4.9 shows the distribution of the respondents' level of influence of the social groups which consists of 4 groups: family, friends, colleagues, and celebrities. The results showed that respondents were undecided that these social groups had influences on their purchasing intentions of luxury goods based on an average mean of 2.90 and standard deviation of 0.756. All groups have means in the neutral range (2.74-3.16). Among these groups, friends had the highest mean at 3.16, followed by colleagues, celebrities, and family with mean at 2.94, 2.76, and 2.74, respectively. The standard deviations of all social groups were considered relatively low, indicating high levels of agreement among the respondents.

Table 4.9: Social Influences

	Mean	Std. Deviation
Friends	3.16	0.989
Colleagues	2.94	0.940
Celebrities	2.76	1.113
Family	2.74	1.046
Social Influences	2.90	* 0.756

1.2.4 Purchasing Intention of Luxury Goods

From Table 4.10, the respondents' purchasing intention of luxury goods had mean at 3.13. It implied that the respondents had neutral agreement on purchasing luxury goods when they want bags, watches, and/or sunglasses.

Table 4.10: Purchasing Intention

	Mean	Std. Deviation
Prefer to Buy	3.17	1.046
Plan to Buy	2.91	1.188

	Mean	Std. Deviation
Will Buy	3.43	1.077
Definitely Buy	3.03	1.052
Purchasing Intention	3.13	1.010

2. Hypothesis Testing

In this section, the first two hypotheses were tested by Pearson correlation coefficient. This was done to test the relationship between attitudes, subjective norms and purchasing intention. ANOVA was employed to test the differences in purchasing intention when determined by demographic factors (gender, age, occupation, education, and income).

In this research, all hypotheses were tested at 95% confidence level. Therefore, Pearson correlation coefficient and ANOVA should have significance value less than 0.05 (sig. < 0.05) in order to reject the null hypothesis.

Correlation coefficients can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 represents a lack of correlation. Several authors have offered guidelines for the interpretation of a correlation coefficient. Cohen (1988), for example, suggested the following interpretations for correlations.

Table 4.11: Interpretation of the Size of Correlation

Correlation	Negative	Positive
Small	—0.29 to —0.10	0.10 to 0.29
Medium	—0.49 to —0.30	0.30 to 0.49
Large	—1.00 to —0.50	0.50 to 1.00

Source: Cohen, J. (1988). *Statistical Power Analysis for the Behavioral Sciences*, 2nd ed., Hillsdale, NJ: Lawrence Erlbaum Associates.

Hypothesis 1

H_01 : There is no relationship between perceived quality and consumer's purchasing intentions of luxury goods

As shown in Table 4.12, the finding of the test of the relationship between perceived quality and consumer's purchasing intentions of luxury goods showed significance value (sig.) 0.000, which is less than 0.05 level of significance. This indicated that the null hypothesis was rejected. Hence, there is a relationship between perceived quality and consumer's purchasing intentions of luxury goods. Correlation coefficient was 0.380, indicated moderate relationship between the two variables.

In detail, all components of perceived quality which are quality of design, quality of material, quality of manufacture, and duration of use showed significance value less than 0.05. Therefore, there is a relationship between each quality component and consumer's purchasing intentions of luxury goods. Correlation coefficient was ranging between 0.177 and 0.378. Quality of manufacture had the strongest positive relationship with purchasing intention of luxury goods, 0.378 and quality of design had the weakest positive relationship with purchasing intentions of luxury goods, 0.177.

Table 4.12: Correlation between Perceived Quality and Consumer's Purchasing Intentions of Luxury Goods

		Purchasing Intentions of Luxury Goods
Design	Correlation Coefficient	0.177
	Sig. (2-tailed)	0.000
Material	Correlation Coefficient	0.296
	Sig. (2-tailed)	0.000

		Purchasing Intentions of Luxury Goods
Manufacture	Correlation Coefficient	0.378
	Sig. (2-tailed)	0.000
Durability	Correlation Coefficient	0.320
	Sig. (2-tailed)	0.000
Perceived Quality	Correlation Coefficient	0.380
	Sig. (2-tailed)	0.000

Hypothesis 2

H₀2: There is no relationship between social influences and consumer's purchasing intentions of luxury goods

Table 4.13 shows the result of hypothesis testing the relationship between social influences and consumer's purchasing intentions of luxury goods. The significance value (sig.) was 0.000, less than 0.05 level of significance. The null hypothesis was rejected; thus, there is a relationship between social influences and consumer's purchasing intentions of luxury goods. Correlation coefficient was 0.410, implied moderate positive relationship between the two variables.

All components of social influence variables which are family, friends, colleagues, and celebrities had significance value (sig.) less than 0.05. Therefore, there is a relationship between each social group and consumer's purchasing intentions of luxury goods. Correlation coefficient was ranging between 0.101 and 0.430. Among all social groups, celebrities had the strongest positive relationship with purchasing intentions of luxury goods, 0.430 and family had the weakest positive relationship with purchasing intentions of luxury goods, 0.101.

Table 4.13: Correlation between Social Influences and Consumer's Purchasing Intentions of Luxury Goods

		Purchasing Intentions of Luxury Goods
Family	Correlation Coefficient	0.101
	Sig. (2-tailed)	0.046
Friends	Correlation Coefficient	0.385
	Sig. (2-tailed)	0.000
Colleagues	Correlation Coefficient	0.292
	Sig. (2-tailed)	0.000
Celebrities	Correlation Coefficient	0.430
	Sig. (2-tailed)	0.000
Social Influences	Correlation Coefficient	0.410
	Sig. (2-tailed)	0.000

Hypothesis 3

H_{03} : There is no difference in consumer's purchasing intentions of luxury goods when determined by age

From Table 4.14, the result showed significance value at 0.161, which is more than 0.05. This indicated that the null hypothesis was failed to reject. Hence, there is no difference in consumer's purchasing intentions of luxury goods when determined by age.

Table 4.14: Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Age Groups

	F	Sig.
Age Groups	1.652	0.161

Hypothesis 4

H4: There is no difference in consumer's purchasing intentions of luxury goods when determined by gender

According to Table 4.15, the finding showed significance value at 0.177, which is more than 0.05. The null hypothesis was failed to reject; thus, there is no difference in consumer's purchasing intentions of luxury goods when determined by gender.

Table 4.15: Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Gender

	F	Sig.
Gender Groups	1.827	0.177

Hypothesis 5

H5: There is no difference in consumer's purchasing intentions of luxury goods when determined by occupation

As shown in Table 4.16, a significance value was 0.001, which is less than 0.05. This indicated that the null hypothesis was rejected. Hence, there is a significant difference in consumer's purchasing intentions of luxury goods when determined by occupation.

Table 4.16: Difference in Consumer's Purchasing Intention of Luxury Goods when Determined by Occupation

	F	Sig.
Occupation Groups	4.190	0.001

The Scheffe test was thus proceeded to explore how difference among means of each occupation group. From the following table, the results from Scheffe Test showed that Business Owner had the highest mean score indicating the highest purchasing intention of this occupation group, followed by State's Enterprise, Private Sector Employee, and Government Official.

Table 4.17: Mean of Each Occupation Group

Occupation	Mean
Government Official	2.91
Private Sector Employee	3.04
State's Enterprise	3.08
Business Owner	3.76

Hypothesis 6

H06: There is no difference in consumer's purchasing intentions of luxury goods when determined by education

From Table 4.18, the result showed significance value at 0.430, which is more than 0.05. This indicated that the null hypothesis was failed to reject. Thus, there is no difference in consumer's purchasing intentions of luxury goods when determined by education.

Table 4.18: Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Education

	F	Sig.
Education Groups	0.847	0.430

Hypothesis 7

H_07 : There is no difference in consumer's purchasing intentions of luxury goods when determined by income

According to Table 4.19, the finding showed significance value at 0.000, which is less than 0.05. The null hypothesis was rejected; thus, there is a difference in consumer's purchasing intentions of luxury goods when determined by income.

Table 439: Difference in Consumer's Purchasing Intentions of Luxury Goods when Determined by Income

	F	Sig.
Income Groups	6.992	0.000

The Scheffe test was thus proceeded to explore how difference among means of each income group. From the following table, the results from Scheffe test showed that the group of income more than 55,000 baht had the highest mean score indicating the highest purchasing intention of this income group, followed by the group of income 25,001 to 35,000 baht, 15,000 to 25,000 baht, 35,001 to 45,000 baht, and less than 15,000 baht.

Table 4.20: Mean of Each Income Group

Income Group	Mean
Less than 15,000 B	2.23
35,001-45,000 B	3.15
15,000-25,000 B	3.29
25,001-35,000 B	3.31
More than 55,000 B	3.38

3. Summary of Hypotheses Testing

Table 4.21: Summary of Hypotheses Test Results

Hypothesis	Results
H1: There is no relationship between perceived quality and consumer's purchasing intentions of luxury goods	Rejected
H2: There is no relationship between social influences and consumer's purchasing intentions of luxury goods	Rejected
H3: There is no difference in consumer's purchasing intentions of luxury goods when determined by age	Failed to Reject
H ₀ 4: There is no difference in consumer's purchasing intentions of luxury goods when determined by gender	Failed to Reject
H ₀ 5: There is no difference in consumer's purchasing intentions of luxury goods when determined by occupation	Rejected
H ₀ 6: There is no difference in consumer's purchasing intentions of luxury goods when determined by education	Failed to Reject
H ₀ 7: There is no difference in consumer's purchasing intentions of luxury goods when determined by income	Rejected

The objectives of this research are to determine the factors relating to consumer's purchasing intentions of luxury goods and to determine the relationships between each of three independent variables (perceived quality, social influences, and demographics) and consumer's purchasing intentions of luxury goods.

According to the results from descriptive statistics, among quality attributes, quality of manufacture (mean = 4.18) and quality of material (mean = 4.09) were perceived by respondents as the most two significant benefits/advantages of luxury goods. In addition, respondents were undecided that family, friends, colleagues, and celebrities had influences on their purchasing intentions of luxury goods.

The results from Pearson Correlation showed that perceived quality and social influences had moderate positive relationship with luxury goods' purchasing

intentions. Between them, social influences showed a little stronger relationship ($r = 0.410$) with purchasing intentions of luxury goods than perceived quality ($r = 0.380$). Among social groups, celebrities had the strongest relationship ($r = 0.430$) with purchasing intentions of luxury goods, while family had the weakest relationship ($r = 0.101$) with consumer's purchasing intentions of luxury goods. Moreover, Quality of manufacture had the strongest positive relationship ($r = 0.378$) with purchasing intention of luxury goods, followed by durability ($r = 0.320$).

In addition, the results from ANOVA showed that different age group, gender, and education level had no significant differences in consumer's purchasing intentions of luxury goods. However, different occupation group and income group had differences in luxury goods' purchasing intention. For occupation group, Business Owners showed highest intention to purchase luxury goods (mean = 3.76). And the group of income more than 55,000 baht showed the highest likelihood to purchase luxury goods (mean = 3.38).

CHAPTER 5

SUMMARY, MAJOR FINDINGS, DISCUSSION, AND RECOMMENDATIONS

This chapter presented the summary of the results and the conclusion of this research. It consists of six parts. The first part is the summary of the research. The second part is the summary of the findings. The third part is the discussion of the research findings. The fourth part contains the conclusion of the research. The fifth part presents the implication for practice and the last part is the recommendations for further research.

1. Summary of the Research

This research focused on the factors influencing or relating to consumer's purchasing intentions of luxury goods based on the Theory of Reasoned Action (Ajzen & Fishbein, 1980). Therefore, the objectives of this research are to determine the factors relating to consumer's purchasing intentions of luxury goods and to determine the relationships between each of three independent variables (attitude, subjective norms, and demographics) and dependent variable (consumer's purchasing intentions of luxury goods).

To increase research effectiveness, this research focused only on customers of a specific type of luxury-brand i.e. apparels in the Thai market by using

questionnaires to collect information. The target population was Thai flight attendants including their families and their friends who can afford to buy luxury goods.

The apparel product types which were selected in this research were bags, watches, and sunglasses. The example of luxury brands were Hermes, Louis Vuitton, Gucci, Christian Dior, Chanel, Prada, Chloe, Fendi, Armani, Rolex, Cartier, Omega, and other brands that have similar or higher brand image.

2. Summary of the Findings

In this research, the summary of the results was based on the data collected from 390 respondents using the survey method. The questionnaires were distributed at the airlines offices located in Suwannabhumi airport and through emails and faxes. The Statistical Package for the Social Sciences (SPSS) program was employed to tabulate and analyze the data. The research hypothesis statements were tested by a Pearson correlation coefficient and one-way analysis of variance (ANOVA).

From a total of 450 questionnaires, 390 were completed and returned. Most of respondents were female, 69.5% of the total respondents and aged between 26-33 years old, 46.9% of the total respondents. The major occupation of respondents in this research was State's enterprise officer of Thai Airways International PCL., 51.8% of the total respondents. The education level of most respondents fell under bachelor degree, 63.8% of the total respondents. In addition, the majority of respondents had monthly income over 45,000 baht, 53.9% of the total respondents.

According to the results from descriptive statistics, respondents had relatively positive attitudes toward luxury brands based on their agreement with all attributes with an average mean of 4.04. Among quality attributes, quality of manufacture (mean = 4.18) and quality of material (mean = 4.09) were perceived by respondents as

the most two significant characteristics of luxury goods. In addition, respondents were undecided that the social groups (family, friends, colleagues, and celebrities) had influences on their purchasing intentions of luxury goods based on an average mean of 2.90. It should be noted that friends had the highest mean score at 3.16, while family had the lowest mean score at 2.74. For the period of intention to purchase luxury goods, most of respondents had intentions to purchase within 1 year, accounted for 71.2% of the total respondents.

The results from Pearson Correlation showed that social influences had the strongest relationship within a range of moderate positive relationship ($r = 0.410$) with purchasing intentions of luxury goods. It showed the pattern of relationship that the more respondents perceived their advice in favor of purchasing, the more they may be inclined to purchase. Among social groups, celebrities had the strongest relationship ($r = 0.430$) with purchasing intentions of luxury goods, while family had the weakest relationship ($r = 0.101$) with consumer's purchasing intentions of luxury goods.

Attitude focused on perceived quality had the second strongest relationship within a range of moderate positive relationship ($r = 0.380$) with purchasing intentions of luxury goods. It indicated that if consumers perceive high quality in luxury goods, the tendency to purchase them would increase. Quality of manufacture had the strongest positive relationship ($r = 0.378$) with purchasing intention of luxury goods, followed by durability ($r = 0.320$).

Moreover, the result from ANOVA revealed that different age group, gender, and education level had no significant differences in consumer's purchasing intentions of luxury goods. However, different occupation group and income group had some differences in luxury goods' purchasing intentions. For occupation group, Business Owners showed highest intention to purchase luxury goods (mean = 3.76). And, the

group of income more than 55,000 baht showed the highest likelihood to purchase luxury goods (mean = 3.38).

3. Discussion of the Research Findings

3.1 Demographics

From the descriptive statistics, most of respondents were female. The higher proportion of female flight attendants which was the target population might be explained this result. In addition, the majority of respondents were aged between 26-33 years old since most flight attendants are young to middle aged adults. The major occupation of respondents in this research was State's enterprise officer of Thai Airways International PCL. It can be explained by the ratio of Thai flight attendants. Most of Thai flight attendants are working at Thai Airways The statistics showed that there were over 5,000 flight attendants working at Thai Airways (Newwavetg, 2006). Moreover, the education level of most respondents fell under bachelor degree which related to the required degree of qualified flight attendants. And lastly, the majority of respondents had monthly income over 45,000 baht since this level is the average income of Thai flight attendants.

According to Etzel, Walker, and Stanton (2001), demographics are the important factors for marketing executives because they influence the creation of appropriate marketing plans. The results revealed that different age group, gender, and education level had no statistically significant differences in consumer's purchasing intentions of luxury goods. This was consistent with the results of the previous study which found that demographics produced no statistically significant relationships to consumer's purchasing intention of a controversial luxury apparel product (Summers, Belleau & Xu, 2006).

However, the results showed that occupation group and income group had differences in purchasing intentions of luxury goods. For occupation group, Business Owner showed highest intention to purchase luxury goods. The need to show their status and creditability may be explained this high purchasing intentions of luxury goods in this occupation group. There was strong agreement that owning luxury goods demonstrates success and status (Wharton, 2007). For the wealthy to keep their status, they have to compete in terms of luxury consumption. The mere fact that this group can pay these prices becomes an indicator of social standing (Frank, 2004).

Income and wealth were also the critical variables in the consumption of luxury goods in microeconomic demand models (Giacalone, 2006). The results of the earlier study confirmed the expected strong correlation of luxury goods consumption with income (Dubois & Duquesne, 1993). In this research, the group of income more than 55,000 baht showed the highest likelihood to purchase luxury goods. Thus, a high purchasing power of this group should be taken into account in selecting target group for marketing managers of luxury goods. While the group of income less than 15,000 baht showed the lowest intention to purchase luxury goods. It implied that people with income more than 15,000 baht are more likely to purchase luxury goods. Nevertheless, some studies showed that many people long for luxury goods, even though they cannot afford them at the moment (Wharton, 2007).

3.2 Attitude

Attitude towards the behavior focused on perceived quality had relationship with purchasing intentions of luxury goods, meaning that the more respondents perceived in a high quality of luxury goods, the more they may be inclined to purchase. The previous studies suggested that luxury brands are expected to show the

greater levels of quality (Garfein, 1989; Roux, 1995). In practice, "high prices may even make certain products or services more desirable" (Groth & McDaniel, 1993, p.10) because people perceived higher prices as evidence of greater quality (Rao & Monroe, 1989).

In addition, quality of manufacture which referred to neat and high standard production and quality of material were perceived by respondents as the most two significant benefits/advantages of luxury goods when compared with other attributes. However, in terms of relationship with purchasing intentions of luxury goods, quality of manufacture had the strongest positive relationship, followed by durability. It indicated that quality of manufacture, quality of material and durability were the main determinants of luxury goods.

This result was consistent with previous studies, which found that superior quality was an attribution of luxury-brand products, and consumers usually look at the prestige and premium price of luxuries in inferring that they have higher level of quality than that of non-luxuries (Hafstrom, Chae & Chung, 1992; Nia & Zaichkowsky, 2000; O'Cass & Frost, 2002). Moreover, the survey of the KPMG in China revealed that more than 70% of the respondents, agreed with the statement: "I appreciate the superior quality of luxurious brands, not simply the pursuit of famous brand names" (Wharton, 2007). Thus, educating consumers about these product attributes may increase their favorable impressions toward purchasing luxury goods, which in turn increase their purchasing intentions.

3.3 Social Influences

According to the results from descriptive statistics, respondents were undecided that the social groups (family, friends, colleagues, and celebrities) had

influences on their purchasing intentions of luxury goods. Among these groups, friends had the highest mean score which indicated that friends had the strongest influence on respondent's luxury goods purchasing intentions. While family had the lowest mean score, it indicated that family had the lowest influence on purchasing intentions of luxury goods. It was relevant to the previous study of Childers and Rao (1992) which suggested that the influence of peers is likely to be higher for luxuries in general. Similarly, the influence of family will likely to be higher for necessities.

In addition, the results from Pearson Correlation showed that social influences had moderate positive relationship with purchasing intentions of luxury goods. Celebrities and friends showed moderate positive relationship with luxury goods' purchasing intentions, while colleagues and family showed a slightly positive relationship. The results from previous studies were controversial. A study of Summers, Belleau, and Xu (2006) found that family, friends, colleagues, and media had little influence on the respondent's behavior decision. While many previous studies had suggested that the influence from referents on an individual's behavior was important (Bearden & Etzel, 1982; Childers & Rao, 1992; Rabolt & Drake, 1984-1985).

Among social groups, celebrities had the strongest relationship with purchasing intentions of luxury goods. This finding was consistent with the earlier studies suggested that celebrities had positive influence on purchasing decision (Bush, Martin & Bush, 2004; Ohanian, 1991). In addition, it supported the evidence that celebrity adoration has become prevalent throughout the world in recent decades (Giles, 2000; McCutcheon, Lange & Houran, 2002). The increased interest in celebrities showcasing the latest luxury clothing and accessories has also boosted the market and raised the general awareness of desirable luxury brands (Frith, 2004).

3.4 Period of Purchasing Intention

The finding showed that the period of intention to purchase luxury goods of most respondents was within 1 year. In the case of a luxury good, the consumer is more likely to take more time to examine the available options in deciding whether the good will even be purchased at all (Geoffrey & Stephen, 2003). This might be because of its high price.

4. Conclusions

This research aimed to determine the factors relating to consumer's purchasing intentions of luxury goods and to determine the relationships between each factor and purchasing intention based on the Theory of Reasoned Action. Therefore, the studied factors were attitude (perceived quality), subjective norms (social influences), and demographics. This research focused only on customers of luxury-brand apparels in the Thai market by using questionnaires to collect information. The target population was Thai flight attendants including their families and their friends who can afford to buy luxury goods. From a total of 450 questionnaires, 390 were completed and returned.

According to the results from descriptive statistics, among quality attributes, quality of manufacture and quality of material were perceived by respondents as the most two significant benefits of luxury goods. Moreover, respondents were undecided that celebrities, friends, family, and colleagues had influences on their purchasing intentions of luxury goods. Among these groups, friends had the highest mean score, while family had the lowest mean score.

In addition, the results of hypotheses testing by Pearson Correlation showed that perceived quality and social influences had moderate positive relationship with

purchasing intentions of luxury goods. Between them, social influences showed a little stronger relationship with purchasing intentions of luxury goods than perceived quality. The findings showed that celebrities had the strongest relationship with purchasing intentions of luxury goods, followed by friends. Moreover, for quality, quality of manufacture had the strongest positive relationship with luxury goods' purchasing intentions, followed by durability.

The result of ANOVA revealed that different age group, gender, and education level had no significant differences in consumer's purchasing intentions of luxury goods. On the other hand, different occupation group and income group had some differences in luxury goods' purchase intentions. For occupation group, Business Owners showed highest intention to purchase luxury goods. The group of income more than 55,000 baht showed the highest purchasing intentions of luxury goods. A high purchasing power of this income group should be taken into account in selecting target group for marketing managers of luxury goods.

5. Implication for Practice

This research gave us the opportunity to not only test the use of the Theory of Reasoned Action (TRA) in explaining purchasing intentions of luxury goods, but also to provide the marketers, manufacturers and people who involve in the luxury-brand industry with information they desired about their target market. This research verified that the TRA model can serve as a moderate tool in explaining consumer's purchasing intention of luxury goods.

Social influence was the most significant factor relating to consumer's purchasing intentions of luxury goods. The findings showed that family, friends, colleagues, and celebrities had relationships with luxury goods' purchasing intentions.

Celebrities were found to be the main factor relating to consumer's purchasing intentions. Thus, celebrities should be used as the endorsers of luxury brands or presenters in the advertising. Compared to other endorser types, famous people achieve a higher degree of attention and recall. They increase awareness of a company's advertising, create positive feelings towards brands and are perceived by consumers as more entertaining (Solomon, 1999). Using a celebrity in advertising is therefore likely to positively affect consumers' brand attitudes and purchasing intentions. However, the result from descriptive statistics showed that friends had the highest influence on purchasing intentions of luxury goods. Therefore, the marketing programs should also emphasize on the word-of-mouth or buzz marketing strategy. Word-of-mouth is a powerful source of influence. It is about getting your product noticed by creating an event or experience that will get people talking.

Perceived quality was the second most significant factor relating to consumer's purchasing intentions of luxury goods. The research results indicated that quality of manufacture, durability and quality of material were the relating factors of luxury goods' purchasing intentions. Marketers can increase consumer's purchasing intentions by notifying potential customers that they can have an expectation of better quality, finer details, and superior workmanship and materials of the products that goes along with the purchase.

By understanding the demographics that relating consumer's purchasing intentions, marketers know which groups they should focus on as their target customers. From research findings, it can be concluded that consumers who tend to purchase luxury goods are more likely to be business owners and those who have income more than 55,000 baht. These people can be justified as the upper middle class who can afford some luxury products but still has to live within their means.

They bought luxury goods for showing off their wealth and status and exhibiting their tastes for elegance. They tend to ascribe to the economic values of luxury brands. Hence, the marketers should emphasize the advertising and promotion campaigns on this group. Although, consumers with a monthly income less than 15,000 baht showed low purchasing intention, they should not be ignored but rather offered the lower-priced accessory items in order to target a broader market.

In conclusion, the marketers need to keep a consistent brand message and emphasize quality as a way to portray their products as a smart investment. Luxury brands should send the message and extend product lines that their products are affordable alternatives for the middle class consumers. Celebrity endorsement and a word-of-mouth strategy are also influencing luxury goods' purchasing intentions.

6. Recommendations for Further Research

Additional research on the topic can be deducted from the limitations of the research. The scope of this research was limited only to the Suwannabhumi airport area. Therefore, further researches should extend to respondents in other areas since consumers in different areas may have different factors influencing their purchases of luxury goods.

There are also many other factors influencing or relating to consumer's purchasing intentions of luxury goods but this research focused on three main factors, which are attitude, subjective norms, and demographics. Thus, additional factors should be investigated, especially, brand equity, brand royalty, self-concept, and self-image congruity. Moreover, further researches are needed to investigate in greater detail such as a specific brand or a specific product type or conduct longitudinal

research to follow up the respondents' actual purchase. This will help the marketers better understanding the purchasing behavior of luxury goods.



REFERENCES

- Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50, 179-211.
- Ajzen, I. (2001). Nature and Operation of Attitudes, *Annual Reviews Psychology*, 52, 27-58.
- Ajzen, I., & Fishbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior*, Prentice-Hall, Englewood Cliffs, NJ.
- An, Zi. (2005). In the Lap of Luxury, *Begin Review*. <http://www.bjreview.cn/EN/06-02-e/bus-1.htm>. [An e-Magazine Article Retrieved on September 3, 2007].
- Bearden, W. O., & Etzel, M. J. (1982). Reference Group Influence on Product and Brand Purchase Decisions. *Journal of Consumer Research*, 9(2), 183-194. Academic Search Premier Database. [A Subscription Article Retrieved on September 27, 2007].
- Bearden, W. O., Netemeyer, R. G., & Teel, J. E. (1989). Measurement of Consumer Susceptibility to Interpersonal Influence, *Journal of Consumer Research*, 15 (4), 473-481. Academic Search Premier Database. [A Subscription Article Retrieved on May 10, 2007].
- Bush, A. J., Martin, C. A., & Bush, V. D. (2004). Sports Celebrity Influence on the Behavioral Intentions of Generation Y. *Journal of Advertising Research*, 44(1), 108-118.
- Childers, T. L., & Rao, A. R. (1992). The Influence of Familial and Peer-Based Reference Groups on Consumer Decisions. *Journal of Consumer Research*, 19(2), 198-211. Academic Search Premier Database. [A Subscription Article Retrieved on May 10, 2007].
- Chinanews. (2005, May). Chinese Youth Enjoying Luxury Goods. *Chinanews*. <http://www.chinanews.cn/news/2004/2005-05-25/4905.shtml>. [An Online Newspaper Article Retrieved on June 10, 2007].

- Chiou, J. S. (1998). The Effects of Attitude, Subjective Norm, and Perceived Behavioral Control on Consumer's Purchase Intentions: The Moderating Effects of Product Knowledge and Attention to Social Comparison Information, *Proceedings of the National Science Council, Republic of China*, 9(2), 298-308. <http://nr.stpi.org.tw/ejournal/ProceedingC/v9n2/298-308.pdf> [An e-Journal Article Retrieved on May 8, 2007].
- Chiou J. S., Huang C. Y., & Chuang M. C. (2005). Antecedents of Taiwanese Adolescents' Purchase Intention toward the Merchandise of a Celebrity: The Moderating Effect of Celebrity Adoration. *Journal of Social Psychology*, 145(3), 317-332. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 29, 2007].
- Cohen, J. (1988). *Statistical Power Analysis for the Behavioral Sciences*, 2nd ed., Hillsdale, NJ: Lawrence Erlbaum Associates.
- Crampton, T. (2001, October). Wealthiest Consumers Are Not Daunted by Downturn, Retailers and Auctioneers Report: Asia's Appetite for Luxury Is Undiminished. *International Herald Tribune*. http://www.ihf.com/articles/2001/10/10/rasia_ed3_.php. [An Online Newspaper Article Retrieved on May 13, 2007].
- D'Arpizo, C., Jilla, C., & Kamel, M. (2005, May). The New Rules of Luxury: Bain Research on a Changing Business, *Financial Times*. http://www.bain.com/bainweb/publications/publications_detail.asp?id=20581&menu_url=publications_results.asp. [An Online Newspaper Article Retrieved on June 10, 2007].
- Dawson, E. M., & Chatman, E. A. (2001). Reference Group Theory with Implications for Information Studies: A Theoretical Essay. *Information Research*, 6(3). <http://informationr.net/ir/6-3/paper105.html>. [An e-Journal Article Retrieved on May 30, 2007].
- Dominick, J. (2005, September). China Becomes the World's Third Largest Consumer of Luxury Goods. *New China Net*. <http://www.pressinterpreter.org/node/262>. [An Online Newspaper Article Retrieved on June 10, 2007].
- Douglas, S. P., & Wind, Y. (1971). Intentions to Buy as Predictors of Buying Behavior. *Proceedings of the Second Annual Conference of the Association for Consumer Research*, 331-343. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 29, 2007].

- Dubois, B., & Duquesne, P. (1993). The Market for Luxury Goods: Income versus Culture. *European Journal of Marketing*, 27(1), 35-44.
- Etzel, M. J., Walker, B. J., & Stanton, W. J. (2001). *Marketing*, 12th ed. Avenue of the Americans. NY, Irwin/McGraw Hill.
- Fonseca, F. (2005). Brazil Market Development Report: Luxury Goods. *USDA Foreign Agricultural Service GAIN Report*. <http://www.fas.usda.gov/gainfiles/200504/146119373.pdf>. [A Government Publication Retrieved on September 3, 2007].
- Frank, R. (2004, December). Making Waves New Luxury Goods Set Super-Wealthy Apart from Pack. *Wall Street Journal*. <http://www.mindfully.org/Reform/2004/Super-Wealthy-Rivalry14dec04.htm>. [An Online Newspaper Article Retrieved on September 28, 2007].
- Frith, M. (2004). Bling Kerching: How Going Downmarket Has Transformed the Luxury Goods. *Independent, The (London)*. http://findarticles.com/p/articles/mi_qn4158/is_20040929?pnun=3&opg=n12810883. [An Online Newspaper Article Retrieved on September 28, 2007].
- Garfein, R. T. (1989). Cross-Cultural Perspectives on the Dynamics of Prestige. *Journal of Services Marketing*, 3 (Summer), 17-24.
- Geoffrey, S., & Stephen, B. (2003). A Decision Chart for Small Business Web Site Content. *Logistics Information Management*, 16(1), 36-47. **Academic Search Premier Database**. [A Subscription Article Retrieved on September 28, 2007].
- Giacalone, J. A. (2006). Market for Luxury Goods: The Case of the Comite Colbert1, The. *Southern Business Review*. http://findarticles.com/p/articles/mi_qa3972/is_200610/ai_n18632447. [University Publication Retrieved on May 14, 2007].
- Giles, D. C. (2000). *Illusions of Immortality: A Psychology of Fame and Celebrity*. London: Macmillan.
- Groth, J. C., & McDaniel, S. W. (1993). The Exclusive Value Principle: The Basis for Prestige Pricing. *Journal of Consumer Marketing*, 10 (1), 10-16.

- Hafstrom, J. L., Chae, J. S., & Chung, Y. S. (1992). Consumer Decision-Making Styles: Comparison between United States and Korean Young Consumers. *Journal of Consumer Affairs*, 26(1), 146-158. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 10, 2007].
- Hanna, J. (2004, August). Luxury Isn't What It Used To Be. *Harvard Business School Bulletin*, 80(2). <http://hbswk.hbs.edu/item/4321.html>. [An Online Article Retrieved on May 8, 2007].
- Hanna, N. & Wozniak, R. (2001). *Consumer Behavior: An Applied Approach*, 1st ed. Upper Saddle River, NJ: Prentice Hall.
- Hawkins, D. I., Best, R. J., & Coney, K. A. (2001). *Consumer Behavior: Building Marketing Strategy*, 8th ed. Boston: Irwin/McGraw-Hill.
- Herman, D. (2007). The Eternal Principles for Creating Luxury Brands. http://www.themanager.org/Marketing/Eternal_principles_for_luxury_brands.htm. [An Online Article Retrieved on May 8, 2007].
- Kokkinaki, F. (1999). Predicting Product Purchase and Usage: The Role of Perceived Control, Past Behavior and Product Involvement. *Advances in Consumer Research*, 26(1), 576-583. **Academic Search Premier Database**. [A Subscription Article Retrieved on June 10, 2007].
- Koskennurmi-Sivonen, R., & Pietarila, P. (2005). Quality Clothes – An Outline of a Model for Assessing the Quality of Customized Clothing. *Emergence of Luxury*. The Academy of Finland. <http://www.helsinki.fi/~rkosken/quality.pdf>. [An e-Journal Article Retrieved on September 19, 2007].
- Kotler, P. (1997). *Marketing Management: Analysis, Planning, Implementation, and Control*, 9th ed. Upper Saddle River, NJ: Prentice Hall.
- Kotler, P. (2000). *Marketing Management*, Millennium ed. Upper Saddle River, NJ: Prentice Hall.
- Kotler, P., & Keller K. L. (2006). *Marketing Management*, 12th ed. Upper Saddle River, NJ: Prentice Hall.

Lyong Ha, C. (1998). The Theory of Reasoned Action Applied To Brand Loyalty. *Journal of Product & Brand Management*, 7(1), 51-61. **Academic Search Premier Database**. [A Subscription Article Retrieved on June 10, 2007].

Malhotra, N. K. (1999). *Marketing Research: An Applied Orientation*, 3rd ed. Upper Saddle River, NJ: Prentice Hall.

Marketingpower provides marketing and advertising articles and tips, thousands of companies and firms, careers and jobs, and more from the official American Marketing Association. <http://www.marketingpower.com/>

McCutcheon, L. E., Lange, R., & Houran, J. (2002). Conceptualization and Measurement of Celebrity Worship. *British Journal of Psychology*, 93, 67-87.

Nia, A., & Zaichkowsky, J. L. (2000). Do Counterfeits Devalue the Ownership of Luxury Brands. *Journal of Product and Brand Management*, 9(7), 485-501. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 5, 2007].

Newwavetg. (2006). The Number of Thaiairways' Cabincrew. *Newwave Hand in Hand*, 12. <http://www.newwavetg.com/index.php?lay=show&ac=article&Id=380922&Ntype=3>. [An Online Article Retrieved on October 10, 2007].

O'Cass, A., & Frost, H. (2002). Status Brands: Examining the Effects of Non-Product Brand Associations on Status and Conspicuous Consumption. *Journal of Product and Brand Management*, 11(2), 67-88. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 9, 2007].

Ohanian, R. (1991). The Impact of Celebrity Spokespersons' Perceived Image on Consumers' Intention to Purchase. *Journal of Advertising Research*, 31, 46-54. **Academic Search Premier Database**. [A Subscription Article Retrieved on September 27, 2007].

Okonkwo, U. (2005). Luxury Brands & Celebrities: An Enduring Branding Romance. *Brandchannel*. http://www.brandchannel.com/papers_review.asp?sp_id=1234. [An Online Article Retrieved on May 29, 2007].

Ouellette, J. A., & Wood, W. (1998). Habit and Intention in Everyday Life: The Multiple Processes by Which Past Behavior Predicts Future Behavior. *Psychological Bulletin*, 124, 54-74.

- Pictet & Cie. (2005, August). Consumer Demand for Luxury Goods Drives New Investment Concept. http://www.pictet.com/en/home/tools/disclaimers_pam.DoAck.html. [An Online Article Retrieved on June 10, 2007].
- Rabolt, N. J., & Drake, M. F. (1984-1985). Reference Person Influence on Career Women's Dress. *Clothing and Textiles Research Journal*, 3(2), 11-19.
- Rao, A. R., & Monroe, K. B. (1989). The Effect of Price, Brand Name, and Store Name on Buyers' Perceptions of Product Quality: An Integrative Review. *Journal of Marketing Research*, 26(August), 351-357.
- Roux, E. (1995). Consumer Evaluation of Luxury Brand Extensions, in *Proceedings of the European Marketing Academy*, ESSEC: Cergy-Pontoise, France.
- Saadi, S. (2007, April). Designer Handbags: Not Just a Trend for SMU Students. *SMU Daily Campus*. <http://media.www.smudailycampus.com/media/storage/paper949/news/2007/05/04/Entertainment/Designer.Handbags.Not.Just.A.Trend.For.Smu.Students-2894541.shtml>. [An Online Newspaper Article Retrieved on May 29, 2007].
- Schiffman, L. G., & Kanuk, L. L. (2000). *Consumer Behavior*, 7th ed. Upper Saddle River, NJ: Prentice Hall.
- Sheppard, B. H., Hartwick, J., & Warshaw, P. R. (1988). The Theory of Reasoned Action: A Meta-Analysis of Past Research with Recommendations for Modifications and Future Research. *Journal of Consumer Research*, 15(3), 325-343. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 9, 2007].
- Shim, S., Eastlick, M. A., Lotz, S. L., & Warrington, P. (2001). An Online Prepurchase Intention Model: The Role of Intention To Search, *Journal of Retailing*, 77, 397-416.
- Sibley, C. G, Liu, J. H., & Kirkwood, S. (2006). Toward a Social Representations Theory of Attitude Change: The Effect of Message Framing on General and Specific Attitudes toward Equality and Entitlement, *New Zealand Journal of Psychology*, 35(1), 3-13. **Academic Search Premier Database**. [A Subscription Article Retrieved on August 23, 2007].
- Silpacharu, T. (2006). *Research and Statistical Analysis by SPSS*, 5th ed. V. Inter Print, Bangkok.

Skinner, S. J. (1994). *Marketing*, 2nd ed. Boston: Houghton Mifflin.

Solomon, M. R. (1999). *Consumer Behavior*, 4th ed. Upper Saddle River, NJ: Prentice Hall.

Summers, T. A., Belleau, B. D., & Xu, Y. (2006). Predicting Purchase Intention of a Controversial Luxury Apparel Product. *Journal of Fashion Marketing and Management*, 10(4), 405 – 419. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 9, 2007].

Tarkiainen, A., & Sundqvist, S. (2005). Subjective Norms, Attitudes and Intentions of Finnish Consumers in Buying Organic Food, *British Food Journal*, 107(11), 808-822. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 11, 2007].

Terry, D. J., & O'Leary, J. E. (1995). The Theory of Planned Behaviour: The Effects of Perceived Behavioural Control and Self-Efficacy. *The British Journal of Social Psychology*, 34(2), 199-220. http://www.ncbi.nlm.nih.gov/sites/entrez?cmd=Retrieve&db=PubMed&list_uids=7620846&dopt=AbstractPlus. [An Online Abstract Retrieved on Jun 25, 2007].

Tsai, S. P. (2005). Impact of Personal Orientation on Luxury-Brand Purchase Value: An International Investigation. *International Journal of Market Research*, 47(4), 429-454. **Academic Search Premier Database**. [A Subscription Article Retrieved on May 9, 2007].

Vora, S. (2007, January). Spend/Thrift: For Women Buying Luxury Goods, Cash Is King. *International Herald Tribune*. <http://www.ihrt.com/articles/2007/01/19/yourmoney/mspend20.php>. [An Online Newspaper Article Retrieved on June 10, 2007].

Wharton (2007, July). Is China's Luxury Goods Market a 'Pot of Gold' for Marketers? *Knowledge at Wharton*. <http://www.knowledgeatwharton.com.cn/index.cfm?fa=viewfeature&articleid=1672&languageid=1>. [An Online Article Retrieved on September 28, 2007].

Wikipedia is the biggest multilingual free-content encyclopedia on the Internet with over 7 million articles in over 200 languages.
http://en.wikipedia.org/wiki/Main_Page

Zikmund, W. G. (1997). *Business Research Methods*, 5th ed. Fort Worth: Dryden Press.

Zikmund, W. G. (2003). *Essentials of Marketing Research*, 2nd ed. Mason, OH: Thomson South-Western.





APPENDICES



APPENDIX A:

Questionnaire

Questionnaire

This questionnaire is designed to obtain information for use as part of my research entitled "Factors Influencing Consumer's Purchasing Intentions of Luxury Goods". This study is conducted for the purpose of the preparation of a research project for completion of the Master of Science in Management program, Assumption University. Please answer all questions regarding the facts in this questionnaire and thank you for your cooperation.

Note: - The luxury product types which are examined in this research are handbag, watch, and sunglasses.

- The example luxury brands are *Hermes, Louis Vuitton, Gucci, Christian Dior, Chanel, Prada, Chloe, Fendi, Armani, Rolex, Cartier, Omega*, and other brands that have similar or higher brand image.

Part 1: Please indicate your agreement on the following questions about luxury goods. (Mark 4 in the blank □)

Attitude	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
1. They have stylish appearance and design.					
2. They have better-quality components and materials.					
3. They are produced by the neat procedure with high standard.					
4. They are more durable than normal goods.					

Part 2: Please indicate the level of influence the following factors might have on your purchase of luxury goods. (Mark 4 in the blank 11)

Subjective Norms	Most Influence 5	Very Influence 4	Neutral 3	Less Influence 2	Least Influence 1
5. Family					
6. Friends					
7. Colleagues					
8. Celebrities					

Part 3: Purchasing Intention (Mark ✓ in the blank D)

Purchasing Intention	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
9. I prefer to buy luxury brands when I want some goods.					
10. I'm planning to buy a luxury good.					
11. I will buy luxury goods when I want bags, watches, and/or sunglasses.					
12. I will definitely buy luxury goods when I want bags, watches, and/or sunglasses.					

13. I will buy luxury goods within...

3 months

6 months

☒ 1 year

2 years

more than 2 years

Part 4: Personal Data (Mark ✓ in the blank □)

Gender

Male

Female

Age

Below 18 Yrs.

18-25 Yrs.

26-33 Yrs.

34-41 Yrs.

42-49 Yrs.

☒ Above 50 Yrs.

Occupation

Student

State's Enterprise

Government Official

Business Owner

☒ Private Sector Employee

☒ Housewife

Education Level

Under Bachelor Degree

Bachelor Degree

Master Degree

☐ Doctorate Degree

☐ Others _____

Income/Month

Less than 15,000 B.

15,000 - 25,000 B.

☒ 25,001 - 35,000 B.

35,001 - 45,000 B.

45,001 - 55,000 B.

More than 55,000 B.

แบบสอบถาม

ต่อความตั้งใจซื้อสินค้าแบรนด์เนม (Luxury goods) ของผู้บริโภค ของหลักสูตรปริญญาการจัดการมหาบัณฑิต มหาวิทยาลัยอัสสัมชัญ

และขอขอบพระคุณในความร่วมมือของท่าน

หมายเหตุ: - ประเภทสินค้าที่ใช้ในการศึกษาได้แก่ กระเป๋า, นาฬิกา

- ตัวอย่างแบรนด์สินค้าที่ใช้ในการศึกษาได้แก่ *Hermes, Louis Vuitton, Gucci, Christian Dior, Chanel, Prada, Chloe, Fendi, Armani, Rolex, Cartier, Omega* และแบรนด์อื่นๆ ภาพลักษณ์ใกล้เคียง หรือสูงกว่าแบรนด์ที่กล่าวมาข้างต้น

ส่วนที่ 1: คุณมีความคิดเห็นอย่างไรต่อการใช้สินค้าแบรนด์เนม (โปรดทำเครื่องหมาย ลงในช่องว่าง)

ความคิดเห็น	เห็นด้วยมากที่สุด 5	เห็นด้วย 4	ปานกลาง 3	ไม่เห็นด้วย 2	ไม่เห็นด้วยอย่างมาก 1
1. เป็นสินค้าที่มีรูปแบบโดดเด่น น่าสนใจ					
2. เป็นสินค้าที่ประกอบขึ้นโดยใช้วัตถุดิบและส่วนประกอบที่มีคุณภาพดีกว่าสินค้าทั่วไป					
3. เป็นสินค้าที่ผลิตด้วยกรรมวิธีที่ประณีต และได้มาตรฐานสูง					
4. เป็นสินค้าที่สามารถใช้ได้ยาวนาน มีความทนทานสูง					

หุห2: บุคคลดังต่อไปนี้มีอิทธิพลต่อการเลือกซื้อสินค้าแบรนด์เนมของคุณมากน้อยแค่ไหน?

เครื่องหมาย ลงในช่องว่าง)

บุคคล	มีอิทธิพลมากที่สุด 5	มีอิทธิพลมาก 4	มีอิทธิพลปานกลาง 3	มีอิทธิพลน้อย 2	มีอิทธิพลน้อยมาก 1
5. ครอบครัว					
6. เพื่อน					
7. เพื่อนร่วมงาน					
8. บุคคลผู้มีชื่อเสียงในสังคม					

ส่วนที่ 3: ความตั้งใจในการซื้อ (โปรดทำเครื่องหมาย 4 ลงในช่องว่าง)

ความตั้งใจในการซื้อ	เห็นด้วย มากที่สุด 5	เห็นด้วย 4	ปานกลาง 3	ไม่เห็นด้วย 2	ไม่เห็นด้วย อย่างมาก 1
9. ฉันชอบที่จะซื้อสินค้าแบรนด์เนมเมื่อต้องการสิ่งของบางอย่าง					
10. ฉันกำลังวางแผนซื้อสินค้าแบรนด์เนม					
11. ฉันจะซื้อสินค้าแบรนด์เนม OA ต้องการกระเป๋า, นาฬิกา และ/หรือ แว่นตากันแดด					
12. ฉันจะซื้อสินค้าแบรนด์เนม เมื่อต้องการกระเป๋า, นาฬิกา และ/หรือ แว่นตากันแดดอย่างแน่นอน					

13. ฉันจะขอสนทนาแบรนด์เนมภายใน

1 3 เดือน

291

6 เดือน

มากกว่า 2 ปี

111

ส่วนที่ 4: ข้อมูลส่วนตัว (โปรดทำเครื่องหมาย 4 ลงในช่องว่าง)

6 Wit

1 1911ย

อายุ

1 1 Ainii 18 11

34-4111

18-2511

42-4911

26-33 11

5011

01111

1 111131114/1111111141

wanliufliaimat

พนักงานเอAIM

U1511ff111

ต่ำกว่าปริญญาตรี

รายได้/เดือน



น้อยกว่า 15,000 บาท

35,001 - 45,000 mil

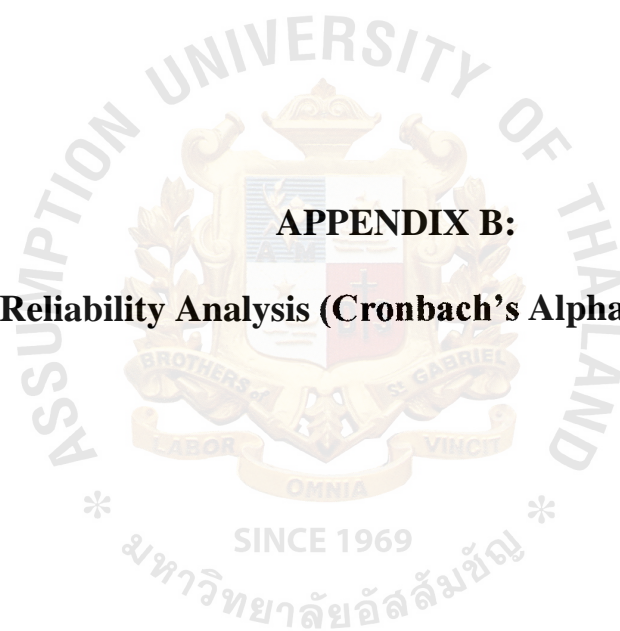
15,000 - 25,000 'um

45,001 - 55,000 Inn

25,001 - 35,000 vir

Dinnii 55,000 irm

APPENDIX B:
Reliability Analysis (Cronbach's Alpha Coefficient)



Reliability Analysis (SPSS)

Variables	Number of Items	Cronbach's Alpha
Attitudes (Perceived Quality)	4	0.765
Subjective Norms (Social Influences)	4	0.789
Purchasing Intention	4	0.957

Attitudes (Perceived Quality)

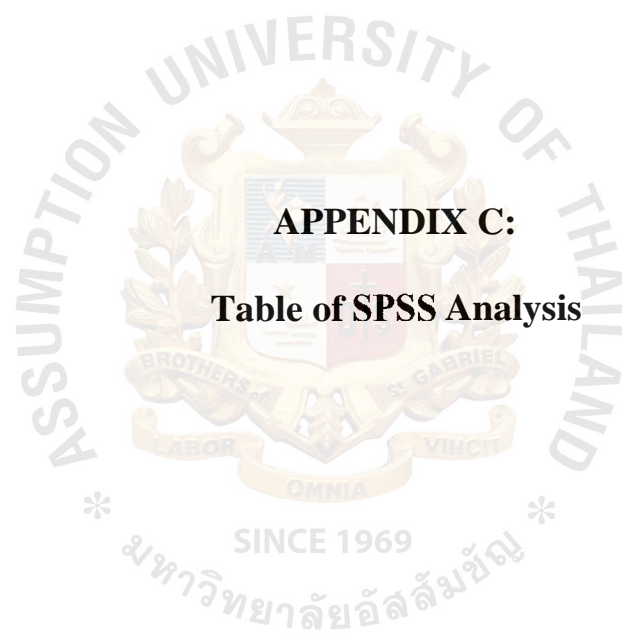
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Design	12.67	3.402	.243	.900
Material	12.20	2.855	.747	.623
Manufacture	12.27	2.685	.805	.586
Durability	12.27	2.892	.607	.687

Subjective Norms (Social Influences)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Family	7.83	6.902	.519	.783
Friends	7.83	6.695	.737	.668
Colleagues	8.07	7.237	.671	.706
Celebrities	8.17	7.316	.501	.786

Purchasing Intention

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Prefer to buy	9.40	11.145	.983	.917
Plan to buy	9.90	11.421	.844	.958
Buy	8.90	11.214	.906	.939
Definitely buy	9.70	11.752	.848	.956



APPENDIX C:

Table of SPSS Analysis

Descriptive Statistics

Frequency Tables

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	119	30.5	30.5	30.5
Female	271	69.5	69.5	100.0
Total	390	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-25 years	79	20.3	20.3	20.3
26-33 years	183	46.9	46.9	67.2
34-41 years	68	17.4	17.4	84.6
42-49 years	37	9.5	9.5	94.1
Above 50 years	23	5.9	5.9	100.0
Total	390	100.0	100.0	

Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	9	2.3	2.3	2.3
State's Enterprise	202	51.8	51.8	54.1
Government Official	46	11.8	11.8	65.9
Business Owner	43	11.0	11.0	76.9
Private Sector Employee	84	21.5	21.5	98.5
Housewife	6	1.5	1.5	100.0
Total	390	100.0	100.0	

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bachelor Degree	249	63.8	63.8	63.8
Master Degree	137	35.1	35.1	99.0
Doctorate Degree	4	1.0	1.0	100.0
Total	390	100.0	100.0	

Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 15,000 B	24	6.2	6.2	6.2
15,000-25,000 B	51	13.1	13.1	19.2
25,001-35,000 B	49	12.6	12.6	31.8
35,001-45,000 B	56	14.4	14.4	46.2
45,001-55,000 B	106	27.2	27.2	73.3
More than 55,000 B	104	26.7	26.7	100.0
Total	390	100.0	100.0	

Period of Intention to Purchase

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid More than 2 years	80	20.5	20.5	20.5
2 years	32	8.2	8.2	28.7
1 year	123	31.5	31.5	60.3
6 months	87	22.3	22.3	82.6
3 months	68	17.4	17.4	100.0
Total	390	100.0	100.0	

Means and Standard Deviations of Main Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Design	390	1	5	3.84	.721
Material	390	2	5	4.09	.686
Manufacture	390	2	5	4.18	.693
Durability	390	1	5	4.05	.757
Family	390	1	5	2.74	1.046
Friends	390	1	5	3.16	.989
Colleagues	390	1	5	2.94	.940
Celebrities	390	1	5	2.76	1.113
Prefer to Buy	390	1	5	3.17	1.046
Planning to Buy	390	1	5	2.91	1.188
Will Buy	390	1	5	3.43	1.077
Definitely Buy	390	1	5	3.03	1.052
Purchasing Intention	390	1	5	3.13	1.010
Perceived Quality	390	2	5	4.04	.549
Social Influence	390	1	5	2.90	.756
Valid N (listwise)	390				

Correlations between Perceived Quality and Purchasing Intention

		Design	Material	Manufacture	Durability	Perceived Quality	Purchasing Intention
Design	Pearson Correlation	1	.340(**)	.273(**)	.254(**)	.608(**)	.177(**)
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	390	390	390	390	390	390
Material	Pearson Correlation	.340(**)	1	.649(**)	.596(**)	.835(**)	.296(**)
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	390	390	390	390	390	390
Manufacture	Pearson Correlation	.273(**)	.649(**)	1	.621(**)	.822(**)	.378(**)
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	390	390	390	390	390	390
Durability	Pearson Correlation	.254(**)	.596(**)	.621(**)	1	.811(**)	.320(**)
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	390	390	390	390	390	390
Perceived Quality	Pearson Correlation	.608(**)	.835(**)	.822(**)	.811(**)	1	.380(**)
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	390	390	390	390	390	390
Purchasing Intention	Pearson Correlation	.177(**)	.296(**)	.378(**)	.320(**)	.380(**)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	390	390	390	390	390	390

) Correlation is significant at the 0.01 level (2-tailed).

Correlations between Social Influences and Purchasing Intention

		Family	Friends	Colleagues	Celebrities	Social Influence	Purchasing Intention
Family	Pearson Correlation	1	.267(**)	.212(**)	.139(**)	.550(**)	.101(*)
	Sig. (2-tailed)		.000	.000	.006	.000	.046
	N	390	390	390	390	390	390
Friends	Pearson Correlation	.267(**)	1	.724(**)	.538(**)	.842(**)	.385(**)
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	390	390	390	390	390	390
Colleagues	Pearson Correlation	.212(**)	.724(**)	1	.542(**)	.820(**)	.292(**)
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	390	390	390	390	390	390
Celebrities	Pearson Correlation	.139(**)	.538(**)	.542(**)	1	.760(**)	.430(**)
	Sig. (2-tailed)	.006	.000	.000		.000	.000
	N	390	390	390	390	390	390
Social Influence	Pearson Correlation	.550(**)	.842(**)	.820(**)	.760(**)	1	.410(**)
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	390	390	390	390	390	390
Purchasing Intention	Pearson Correlation	.101(*)	.385(**)	.292(**)	.430(**)	.410(**)	1
	Sig. (2-tailed)	.046	.000	.000	.000	.000	
	N	390	390	390	390	390	390

() Correlation is significant at the 0.01 level (2-tailed).

(*) Correlation is significant at the 0.05 level (2-tailed).

One-Way ANOVA**Age****Purchasing Intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.688	4	1.672	1.652	.161
Within Groups	389.763	385	1.012		
Total	396.451	389			

Gender**Purchasing Intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.858	1	1.858	1.827	.177
Within Groups	394.593	388	1.017		
Total	396.451	389			

Occupation**Purchasing Intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.512	5	4.102	4.190	.001
Within Groups	375.938	384	.979		
Total	396.451	389			

Education**Purchasing Intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.727	2	.864	.847	.430
Within Groups	394.724	387	1.020		
Total	396.451	389			

Income**Purchasing Intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.083	5	6.617	6.992	.000
Within Groups	363.367	384	.946		
Total	396.451	389			

Post-Hoc (Scheffe) Test for Occupation

Dependent Variable: Purchasing Intention
Scheffe

(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Student	State's Enterprise	.054	.337	1.000	-1.07	1.18
	Government Official	.229	.361	.995	-.98	1.43
	Business Owner	-.623	.363	.708	-1.84	.59
	Private Sector Employee	.094	.347	1.000	-1.07	1.25
	Housewife	-.132	.521	1.000	-1.88	1.61
State's Enterprise	Student	-.054	.337	1.000	-1.18	1.07
	Government Official	.174	.162	.948	-.37	.72
	Business Owner	-.677(*)	.166	.006	-1.23	-.12
	Private Sector Employee	.040	.128	1.000	-.39	.47
	Housewife	-.186	.410	.999	-1.56	1.18
Government Official	Student	-.229	.361	.995	-1.43	.98
	State's Enterprise	-.174	.162	.948	-.72	.37
	Business Owner	-.851(*)	.210	.006	-1.55	-.15
	Private Sector Employee	-.134	.181	.990	-.74	.47
	Housewife	-.361	.429	.983	-1.80	1.08
Business Owner	Student	.623	.363	.708	-.59	1.84
	State's Enterprise	.677(*)	.166	.006	.12	1.23
	Government Official	.851(*)	.210	.006	.15	1.55
	Private Sector Employee	.717(*)	.186	.012	.10	1.34
	Housewife	.491	.431	.935	-.95	1.93
Private Sector Employee	Student	-.094	.347	1.000	-1.25	1.07
	State's Enterprise	-.040	.128	1.000	-.47	.39
	Government Official	.134	.181	.990	-.47	.74
	Business Owner	-.717(*)	.186	.012	-1.34	-.10
	Housewife	-.226	.418	.998	-1.62	1.17
Housewife	Student	.132	.521	1.000	-1.61	1.88
	State's Enterprise	.186	.410	.999	-1.18	1.56
	Government Official	.361	.429	.983	-1.08	1.80
	Business Owner	-.491	.431	.935	-1.93	.95
	Private Sector Employee	.226	.418	.998	-1.17	1.62

(*) The mean difference is significant at the .05 level.

Purchasing Intention Scheffe

Occupation	N	Subset for alpha = .05
		1
Government Official	46	2.91
Private Sector Employee	84	3.04
State's Enterprise	202	3.08
Student	9	3.14
Housewife	6	3.27
Business Owner	43	3.76
Sig.		.260

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 17.666.

b The group sizes are unequal. The harmonic mean of the group sizes is used.

Type I error levels are not guaranteed.

Post-Hoc (Scheffe) Test for Income

Dependent Variable: Purchasing Intention
Scheffe

(I) Income	(J) Income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Upper Bound	Lower Bound
Less than 15,000 B	15,000-25,000 B	-1.063(*)	.241	.002	-1.87	-.26
	25,001-35,000 B	-1.085(*)	.242	.001	-1.90	-.27
	35,001-45,000 B	-.923(*)	.237	.011	-1.72	-.13
	45,001-55,000 B	-.702	.220	.072	-1.44	.03
	More than 55,000 B	-1.149(*)	.220	.000	-1.89	-.41
15,000-25,000 B	Less than 15,000 B	1.063(*)	.241	.002	.26	1.87
	25,001-35,000 B	-.022	.195	1.000	-.67	.63
	35,001-45,000 B	.140	.188	.990	-.49	.77
	45,001-55,000 B	.360	.166	.453	-.19	.91
	More than 55,000 B	-.087	.166	.998	-.64	.47
25,001-35,000 B	Less than 15,000 B	1.085(*)	.242	.001	.27	1.90
	15,000-25,000 B	.022	.195	1.000	-.63	.67
	35,001-45,000 B	.162	.190	.981	-.47	.80
	45,001-55,000 B	.382	.168	.397	-.18	.94
	More than 55,000 B	-.065	.169	1.000	-.63	.50
35,001-45,000 B	Less than 15,000 B	.923(*)	.237	.011	.13	1.72
	15,000-25,000 B	-.140	.188	.990	-.77	.49
	25,001-35,000 B	-.162	.190	.981	-.80	.47
	45,001-55,000 B	.220	.161	.865	-.32	.76
	More than 55,000 B	-.227	.161	.852	-.77	.31
45,001-55,000 B	Less than 15,000 B	.702	.220	.072	-.03	1.44
	15,000-25,000 B	-.360	.166	.453	-.91	.19
	25,001-35,000 B	-.382	.168	.397	-.94	.18
	35,001-45,000 B	-.220	.161	.865	-.76	.32
	More than 55,000 B	-.447	.134	.052	-.90	.00
More than 55,000 B	Less than 15,000 B	1.149(*)	.220	.000	.41	1.89
	15,000-25,000 B	.087	.166	.998	-.47	.64
	25,001-35,000 B	.065	.169	1.000	-.50	.63
	35,001-45,000 B	.227	.161	.852	-.31	.77
	45,001-55,000 B	.447	.134	.052	.00	.90

(*) The mean difference is significant at the .05 level.

Purchasing Intention
Scheffe

Income	N	Subset for alpha = .05	
		1	2
Less than 15,000 B	24	2.23	
45,001-55,000 B	106		2.93
35,001-45,000 B	56		3.15
15,000-25,000 B	51		3.29
25,001-35,000 B	49		3.31
More than 55,000 B	104		3.38
Sig.		1.000	.377

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 50.595.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

