

Understanding Chinese Buying Behavior in Purchase Intention towards Luxury Goods in China under the COVID-19 Pandemic

Ping Xu^{1*}; Chompu Nuangjamnong²

¹ Master of Business Administration, Graduate school of Business and Advanced Technology Management, Assumption University of Thailand, Bangkok, 10240, Thailand

* Corresponding author. Email address: applelara@hotmail.com

² Lecturer, Innovative Technology Management Program, Graduate School of Business and Advanced Technology Management, Assumption University of Thailand. Email: chompunng@au.edu

Received: 25 March 2022

Revised: 26 May 2022

Accepted: 4 June 2022

Abstract

The purpose of this study is to understand Chinese purchase intention towards luxury products under COVID-19. This research explores the factors that Chinese purchase intention by using secondary data analysis, and an archival study approach. This study has been using five frameworks from previous studies to create a new conceptual framework. The results provided factors that impact Chinese purchase intention towards luxury products under COVID-19. The research found that social influence, physical vanity, and luxury brand perceptions are the factors that affect purchase intention. This study has limitations because behavioral intentions may change after the COVID-19 pandemic is over. This survey is conducted in China, and whether the consumers lived in different cities had a large significant effect on their buying behavior. This study is about the important influencing variables that affect the Chinese's purchase intention towards luxury products during under pandemic.

Keywords - COVID-19, social influence, physical vanity, brand perception, risk perception, purchase intention

JEL Classification code: D30, D40, D41, D42, D43, M30, M37

1. Introduction

Coronavirus disease (the COVID-19) is an infectious disease caused by the SARS-CoV-2 virus. It is first introduced from the city of China, Wuhan in December 2019. The World Health Organization announced that COVID-19 to be a pandemic on March 11, 2020 (World Health Organization, 2020). According to WHO (World Health Organization), the COVID-19 pandemic has caused unprecedented human health and economic consequences. As the pandemic spreads, more countries are closing their borders to effectively control the transmission of the virus. China is the first country that acted to lock down the whole country, closing restaurants, and almost all the business. Many communities in China have applied what is known as "closed management." In most areas where this was applied, villages, communities, and units would only maintain one entrance and exit open, and each household is only given permission a certain number of entrances and exits (Chinanews, 2020). The pandemic had a significant impact on a large number of economies, causing significant delays in business recovery and damage to the production network (Song et al., 2021b). All business has been shut down especially in discretionary business and luxury business is one of the biggest discretionary businesses. In research from Statista (2021), as shown in a recent global study, the watches and jewelry demand experienced the greatest decline in 2020, shrinking by a quarter particularly in comparison to its size in 2019. The pandemic constantly disrupted globally and hindered companies' plans, Gucci additionally called off its display in May that was going to be hosted in California in 2021 (Kanwal, 2021).

The Chinese market is considered one of the biggest markets for luxury products. Luxury products are non-essential items that are highly desired and associated with wealthy or affluent individuals. They are purchased for reasons such as bolstering self-esteem and status, or for the quality and craftsmanship of the