

## **Determinant Factors of Purchase Intention of Luxury Handbags: A Case Study of Top Three Brands in Bangkok**

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### **Abstract**

The objective of this study is to understand and identify the factors influencing the purchase intention of top three brands of luxury handbags in Bangkok. The variables were social value, perceived luxury value, eWOM, trust, brand loyalty and purchase intention. This study employed quantitative research methodology by using a survey questionnaire to collect data from 150 respondents who had purchased or planned to purchase a luxury handbag in Bangkok through either online or offline channels. The descriptive and inferential analyses for this study employed frequency, percentage, mean, standard deviation, and Linear Regression. The study found that social value, perceived luxury value, eWOM, and brand loyalty factors have significant influences on purchase intention of luxury handbags in Bangkok. Trust is the variable that has no significant influence on the purchase intention.

**Keywords:** social value, e-wom, perceived luxury value, brand loyalty, trust, purchase intention

**JEL Classification Code:** D30, D41, D42, D43, M30, M37,

### **Introduction**

Even during the global coronavirus pandemic, the popularity of luxury goods has not diminished. In contrast, many luxury brands have seen higher growth rates, such as LVMH, an EU multinational conglomerate in the luxury business. It was able to turn a profit in the first three quarters of 2020 with total revenue of \$369 billion. The leading French brand Hermes grew in the first quarter of 2020, increasing online purchases by 7 %; meanwhile, in-store sales increased by 12% and another 29% in Asia (MGRonline, 2021). In contrast, the Chanel brand has increased sales from last year from the information of the top luxury handbags of 2020, and shows that many brands have increased their profits even during the COVID-19 crisis, especially the three brands, namely Hermes, Louis Vuitton, Chanel (MGRonline, 2021).

Luxury brands give consumers a sense of profligacy and are expensive for the individual. Even though luxury brands have characteristics of premium quality, a heritage of