# THAI CONSUMERS' PERCEPTION AND PURCHASING BEHAVIOR OF LUXURY FASHION BRANDS: THE EFFECT OF OFFICIAL ONLINE STORES

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ABSTRACT

Online media become the most power channels recently. It helps brands advertise with less cost, faster, traceable and reach more audience. The advance in technology has created a new channel to sell, but luxury fashion brands are reluctant to implement because they worried that their value of luxury will be diluted based on 'six dimensions of luxury' theory of Dubois, Laurent and Czellar. The researcher has designed pilot questionnaire and in-depth interview questions according to this theory.

The findings from this paper show that Thai consumers are not willing to purchase from official online stores in Thailand due to poor quality of delivery service in Thailand and the extra cost of shipping, includes tax fee. But the researcher cannot conclude that the official online stores have effected a perception towards the level of luxury or not because the answers are inconsistent and research limitations.

Moreover, the researcher provides suggestions and implementation to utilize the online media due to consumer behavior in Thailand and indicates aspects that have not been analyzed in details in the thematic paper but worth studying further.

KEY WORDS: Consumer Behavior / Online Store / Fashion / Luxury / Shopping Online

30 pages

# CONTENTS

# LIST OF TABLES

# LIST OF FIGURES

# LIST OF ABBREVIATIONS

| | |
|---|---|
| e.g. | Exempli Gratia |
| UK | United Kingdom |
| US | United State |
| LFB | Luxury Fashion Brands |

# CHAPTER I
# INTRODUCTION

Fashion retailing is itself a fast moving business where once retailers may have bought new clothes for at least four times in a year. This reduces the opportunity for the buyers to achieve significant economies of purchasing through scale. "The Fashion Handbook" (Jackson and Shaw, 2006) describe the change of fashion as 'season'. Season defined as a period of time during which fashion products are sold. Most people recognize this when new fashion clothing and accessories appear in the shops. However, within fashion, there are traditionally two distinctive periods: 'spring-summer' and 'autumn-winter'. These have been based on the 4 annual seasons and the lifestyle activities of people in Europe. Figure 1.1 shows fashion calendar of the year based on information from UK market.

| Fashion seasons and sub-seasons | Months |
|---|---|
| Early spring | January–February |
| Spring (events – e.g. Valentine's Day) | February–March |
| Early summer (holiday) | April–May |
| Summer | May–June |
| High summer | June |
| Summer SALE | June–July |
| Transitional autumn | July–August |
| Back-to-school (where appropriate) | August |
| Autumn | September–October |
| Party wear | November |
| Christmas presents/transitional spring | December |
| Winter SALE | December–January |

**Figure 1.1 Changing 'spring-summer' and 'autumn-winter' seasons in the UK**

From rapidly change in fashion retail, the benefits of online channel which are cost, immediacy, tracking and audience (McQuerrey, 2014)make the online channel became more interesting for fashion retail business that need to maximize resources, speedy and know their customers. Beside from benefits listed above, online channel also able to reach out to more population (Figure 1.2). Around 40% of the world population, which is around 2.9 billion people, has connected today by the biggest network called the Internet. Online shopping is becoming increasingly popular around the world. According to the research of Forrest Research Inc., online retail sales in United State are estimated to grow from $231 billion in2012 to $370 billion in 2017. And still keep the increasing trend from 2013 to 2017 in some Europeans' countries as shows in Figure 1.3.

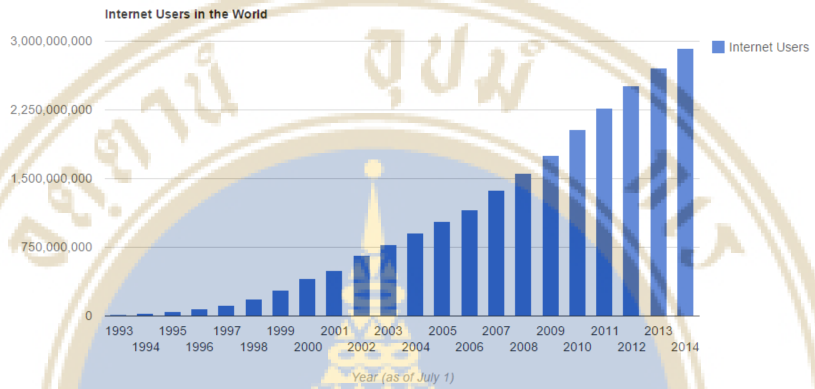


**Figure 1.2 Number of Internet users globally from 1993 – 2014**

Source © Statista 2015 http://www.internetlivestats.com/internet-users/


**Figure 1.3 Forecast US online retail sales**

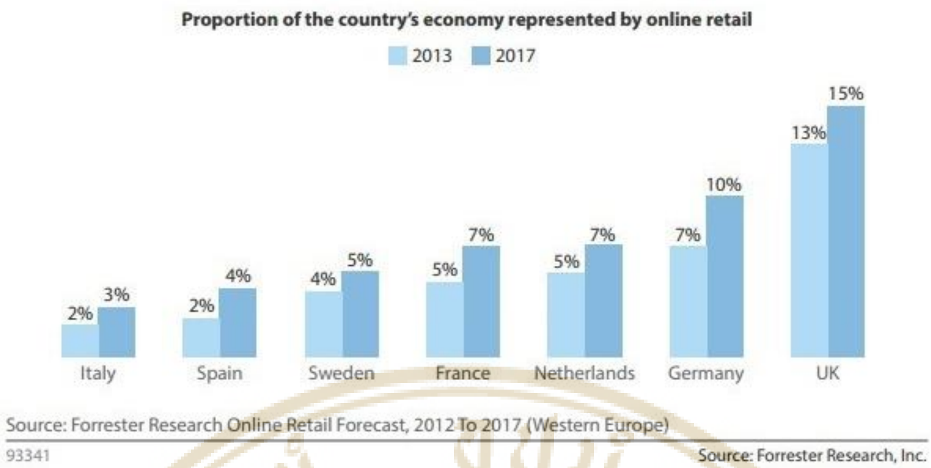


**Figure 1.4 Forecast European's countries online retail sales by 2017**
http://mashable.com/2013/03/12/forrester-u-s-ecommerce-forecast-2017/

According to the primary data gain from visit website of some 'Luxury Fashion Brands' (LFB) as shown in Table 1.1, it reveals that not all LFB took this opportunity to expand their market via online channels.

**Table 1.1 Survey of online shopping on LFB's official website as of February 1, 2015**

| **Brand** | **Online shopping on its official website** |
|---|---|
| **Celine** | No |
| **Chanel** | No |
| **Christian Dior** | No |
| **Givenchy** | **Yes** |
| **Gucci** | **Yes** |
| **Hermes** | No |
| **Loewe** | **Yes** |
| **Louis Vuitton** | No |
| **Prada** | **Yes** |
| **Saint Laurent** | No |

Yang and Mattiila (2014) had studied about the change in consumer attitude toward their favorite brands, luxury goods brands and luxury hospitality brands, when it goes mass and found out that there is a negative effect. In the hospitality luxury business such as five-star hotel or high-end restaurant, if they give discount too heavy, they will get the impulse customer and lose the original customers who can afford the full price. But the luxury hospitality brands are not in the high competitive market as luxury goods brand. The luxury goods brands are in the volume game. They have to sell more quantities in a limited time, so they have to create needs as much as possible. But the research found out that when the brand became too popular, too mass, the consumers seem to have a less preferable attitude toward that a brand such as Louis Vuitton or Gucci. The issue of changing attitude when brand goes mass is one reason that many brands reluctant to go online, but it can be an opportunity loss for brand as well. Since there are other factors that use to identify luxury, the official online store is still a mystery for brands.

This study is focusing on two issues: the influence of an official online store on Thai consumers' attitudes luxury value of that brand by study each factor of six dimensions of luxury and the actual usage of an official online store by Thai consumers recently and reasons behind.

# CHAPTER II
# LITERATURE REVIEW

Online shopping is a retail format innovation,how to use innovative technology systems, and effective shopping online. Technology Acceptance Model (TAM) modelprovides a theoretical basis for research, consumeracceptance of online shopping. This chapter is about technology accpetance model then luxury value and, lastly, the framwork of this study.

## 2.1 Technology Acceptance Model

Technology Acceptance Model (TAM) provides a conceptual framework to study the consumer acceptance of new technologies. Based on the theory of social psychology, TAM recommends using beliefs, attitudes, intentions and behavior as main factors to explain and predict user acceptance level of new technologies. TAM proposed to use two new technology-related beliefs: *perceived usefulness* and *perceived ease of use* to judge a person's attitude toward new technologies and their intention to use the new technique.Perceived usefulness is “the degree to which a person believesthat using a particular system would enhance his or her job performance” (Davis,1989).Perceived ease of use in TAM is “the degree to which a person believes that using a particular system would be free ofeffort”. In order to apply this model, more information about fashion retail business is required to clarify about the variables used.

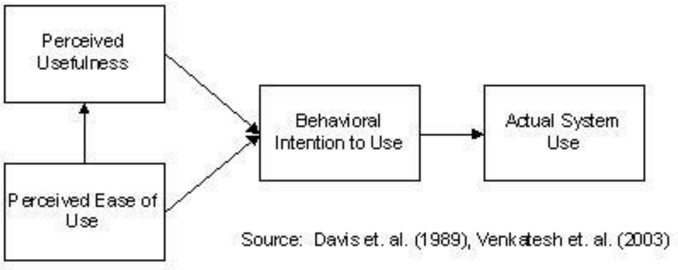


**Figure 2.1 Technology Acceptance Model**

## 2.2 Fashion and Luxury Value

'Fashion' is a popular style or practice, especially in clothing, footwear, accessories, makeup, body piercing, or furniture. Fashion is a distinctive and often habitual trend in the style in which a person dresses. Okonkwo (2007) mentioned that fashion is a symbol of society and has constantly changing which has been influenced by historical, traditional, social, political, psychological, religious and innovation of technology. And fashion in this research is about costume which includes bags, leather goods, shoes, silk, clothes and others.

Due to the fluidity of the concept, different people define luxury in different ways or forms. Husband defined *luxury fashion branded* products as "fashionable and high quality consumer goods made by reputed luxury brands" (Chandha and Husband, 2006). This definition is effective by the inclusion of a range of products such as clothes and leather goods where these products are universally available and accepted as luxury products (Ahmed, et al., 2002).

According to the study of Dubois, Laurent and Czellar (2001), the qualitative interviews were conducted with consumers and found out that there are six dimensions that identify 'luxury' which include excellent quality, very high price, scarcity, uniqueness, aesthetics and ancestral heritage and personal history.

| | |
|---|---|
| Excellent quality | Mortelmans (2005) mentioned that excellent standard of quality is one important factor of luxury because consumers think that luxury product must be usable for long periods. Excellent quality includes raw materials, craftsmanship and so on. The importance of quality provided to customers by luxury brands. It is reasonable to receive a certain level of product reliability when paying a superior value. |
| Very high price | Another point mentioned was that they are normally priced at a superior amount. The reason that this category is defined as luxurious is that they are not commonly accessible by a major portion of the community. The |

| | |
|---|---|
| | marked price plays a crucial role in determining the boundary where luxury products are situated in the society. |
| Rare and Scarcity | Rarity is highly connected to luxury, and the prestige of a luxury brand can get eroded if too many people own it (Dubois and Paternault, 1995). Accordingto Heine (2011), the luxury brand needs to limit its production. Hence the luxury brand plays hard to get, and is not available everywhere at every time (Heine, 2011). This implies that the day everyone can afford a luxury product, the product is by definition not luxurious anymore. Dubois and Paternault (1995) point out that rarity is central to the concept of luxury; as do Carcano et al. (2011). |
| Uniqueness | Unique design is the extra value added to the product (Mortelmans, 2005) and the differentiation within the luxury brands is also very important (Okonkwo, 2007).Product uniqueness is one of the critical features in developing a brand's characteristic and brand image sending to consumers. The more unique the product is the more value it symbolizes in a consumer's perception. |
| Aesthetics | The aesthetic dimension is composed of design, color, and style that createsbeauty (De Barnier et al., 2006) while Venkatesh and Meamber (2008) refer to aesthetics as "a visual form of objects and sensory experiences associated with, texture, harmony, order and beauty". But Chaudhuri andMajumdar (2006) mentioned that the consumption of luxury goods or services is no longer only materialistic but also a pursuit of pleasurable experience. Consumers are well aware of this psychological satisfaction and Danziger (2005) called it a "psychographic aspect of luxury". |

| | |
|---|---|
| Ancestral heritage and personal history | Time is also a good testimony for successful luxury brands. Kapferer (1998) suggested that the sustainability throughout the years can be a proof of quality guarantee and reliability. Haubl and Elrod (1999) pointed out that one's emotion can be a trigger to product purchase. |

## 2.3 Research Framework

From LFB perspective, an official online store has significant pro and con which is the opportunity to increase sales and the risk of diluted 'luxury value' of brand equity.This study has applied TAM as a conceptual model as shown in Figure 2.2.

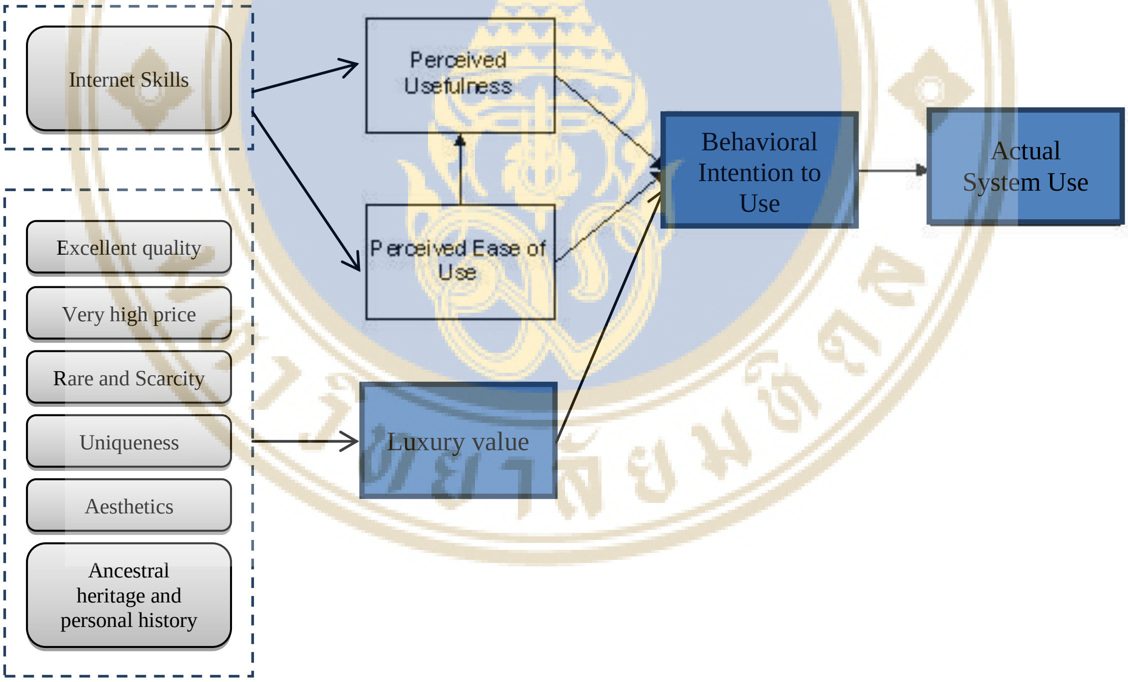


**Figure 2.2 Research framework – The application of Technology Acceptance Model**

From a cross-national investigation of an extended technology acceptance model in theonline shopping context (Tong, 2010) both US and Chinese sample consumers perceived usefulness of a virtual store consistently positively because it allows them to maximize convenience and flexibility. This confirms that perceived usefulness is the primary determinant of the use of a newtechnology.In this case, “usefulness” means how effectively official online store helps Thai consumers accomplish their task.

“Ease of use” is how easy the internet is touse as a shopping medium and previous study from Tong (2010) found the positiveeffect of perceived ease of use of online shopping on the perception of the internet’susefulness as a distribution channel for products was found in both the US and Chinese samples. Therefore, internet retailers need to focus on making onlinepurchasing easy in order to encourage repeat purchases by internet shoppers.So, in this research, this part will not be tested. One more factor for this study is “luxury value” that effect by that change six dimensions of luxury. To answer the myst of ‘brand image’ that LFB concerns.

# CHAPTER III
# METHODOLOGY

The objective of this study is to find out about the change in perception and behavior of Thai consumer toward the existing of an official online store of LFB. Target respondents are a person who purchased Chanel or Saint Laurent which represent the brands that are not going to have an official online store soon. And also purchased product from Loewe, represents the brand that just has an official online store. Age of respondents is around 20-40 years old who is the Internet user and have purchasing power. The sampling size is 16 participants. All of them will answer both questionnaire and interview questions. Therefore the research questions have been divided as follows.

## 3.1 Pilot questionnaire about fashion luxury

The pilot questions were designed to discover about the change in behavior and perception of consumers, the normal behavior and perception toward LFB of respondents will be asked in order to compare with the result after an official online store has created.

Screen question – The participant must be a person who purchased fashion luxury product(s) within the past 18 months, from May 2013 to October 2014.

Normal fashion luxury purchasing behavior – This part will discover the reason to buy luxury fashion product(s) of the participants include the behavior before they are going to purchase fashion luxury product(s) and the place that they shopped in order to compare with the behavior after an official online store exist.

Personal Attitude towards luxury product – This part will measure the level of importance of each dimension of luxury and last part is Demographic Information.

## 3.2 Interview about Internet and the official online store

Qualitative research method will be used in this in-depth interview in order to get answers in more details. This set of question will be separated as follow:

Internet usage – This part will discover about the Internet skills and normal behavior of respondents.

The use of an official website – This part is to discover the actual usage of an official website from participants. Include the opinion about an official online store in term of Thai consumers.

The official online store – This set of questions is about the perception of luxury value toward official online store and the motivation to buy from the official online store.

# CHAPTER IV
# RESEARCH FINDING AND DISCUSSION

Sixteen respondents had answered both pilot questionnaire and interview questions. All of them are purchased Chanel or Saint Laurent and Loewe in the past 18 months, from May 2013 to October 2014, and lived in Bangkok, Thailand.

## 4.1 Basic data from pilot questionnaire

From all respondents, 81% of them are female and 19% male. About age wise, four respondents from each age group of 20-25 years old and 31-35 years old; total eight respondents, are accountable for 50% of total respondent. Six respondents or 38% is age between 26-30 years old and two of them or 13% are 35-40 years old. Out of sixteen respondents, seven of them are heavy luxury spenders who purchased fashion luxury products more than 3 times a year which is 44% of total respondents. Others 56% of respondents purchase fashion luxury products once to 3 times a year. And there is no significant different in term of luxury shopping behavior between male and female.

**Table 4.1 Group of respondents separated by gender and age group**

| Age range | Female | Male | Total |
|---|---|---|---|
| **Less than 20** | - | - | **-** |
| **20-25** | 4 | - | **4** |
| **26-30** | 4 | 2 | **6** |
| **31-35** | 4 | - | **4** |
| **36-40** | 1 | 1 | **2** |
| **More than 40** | - | - | **-** |
| **Total** | **13** | **3** | **16** |

Before studying the effect on an official online store, the normal behavior will be studied first. Table 4.2 shows how respondents get information about the product from luxury brands for the first time currently and also dig deeper about their behavior after that item(s) got their intention. The results are as follows:

**Table 4.2 Where respondents receive information of LFB/products**

| | Where did you get the information about that item for the first time? | | Where did you find more information? | |
|---|---|---|---|---|
| | Total | % | Total | % |
| **Instagram** | 12 | 75% | 7 | 44% |
| **Official website** | 5 | 31% | 12 | 75% |
| **Magazine** | 8 | 50% | 4 | 25% |
| **Fashion website** | 8 | 50% | 4 | 25% |
| **Fashion blogger** | 7 | 44% | 4 | 25% |
| **friends** | 2 | 13% | 7 | 44% |
| **Magazine's website** | 2 | 13% | 2 | 13% |
| **Facebook** | 2 | 13% | 2 | 13% |
| **Others** | 3 | 19% | 3 | 19% |

75% of respondents got first time information from Instagram and 50% of them got information from magazine and fashion website such as style.com accordingly. 44% of them got information from fashion bloggers that they are following. After they interested in that item(s), the most popular source of information is an official website of the brands which is used by 75% of the respondents. Instagram and friends are 44% each.

The traditional media, which is Magazine, is still important since it still accountable for 50% to expose new product(s) for the first time, but it has lower popularity as a secondary source of information, only 25%. 75% or nine respondents out twelve who got information about item(s) from Instagram went to an official website to see more information which enhances the important of the online media channel presently in Bangkok, Thailand.

88% of respondents searched information about the price of that item. Styling is the second concern since 75% of them searched for more information. The styling includes street style pictures, mix and match, and fashion set. The material is coming in the third place, 56% of respondents found about this information before making a purchase. Choice 'others' have an interesting outcome that some of them still interesting about collection inspiration, story, and finding discount.

The next part is about the shopping behavior of the respondents about the things that they concern when they are going to purchase fashion luxury product and the favorite point of purchase.

Table 4.3 shows that the thing that respondents concern the most is 'Price' which accounted for 75% of all respondents and 'Quality' is the next point that 69% of respondents.

**Table 4.3 Factors that respondents concern before buy product from LFB**

| | Total | % |
|---|---|---|
| **Price** | 12 | 75% |
| **Quality** | 11 | 69% |
| **Function** | 9 | 56% |
| **Brand** | 9 | 56% |
| **Others** | 1 | 6% |

Even 'price' is the most concern point of respondents, but 'local grey market' is not the solution for them. Since the high competitive in airline business that make people travel abroad easily, 88% of respondents bought item(s) that they want abroad. This includes asking the others person to buy from abroad and pre-order shop.

**Table 4.4 Places where respondents bought fashion luxury products**

| | Total | % |
|---|---|---|
| **Abroad boutique** | 14 | 88% |
| **Local boutique** | 9 | 56% |
| **Others** | 2 | 13% |
| **Local grey market** | 1 | 6% |

When comparing from items that bought from abroad, the price in Thailand is significantly higher due to exchange rate and import tax. But 56% of respondents still buy at the local boutiques. Some of them answer that they bought from local boutiques because they want to use it now, they are not so sure that abroad will have the exact item or not, and there is a good promotion/discount at that moment.

**Table 4.5 Attitude toward six dimension of luxury**

| Six dimensions of luxury | Average score |
|---|---|
| **Excellent quality** | 4.31 |
| **Very high price** | 3.87 |
| **Ancestral heritage and personal history** | 3.81 |
| **Aesthetics** | 3.68 |
| **Rare and Scarcity** | 3.31 |
| **Uniqueness** | 3.06 |

According to the six dimensions of luxury, respondents answered that the 'excellent quality' is the most important thing of LFB (score 4.31 out of 5). The second dimension that luxury must have is 'very high price'. From table 4.3, 'price' is the factor that respondents concern the most and, from table 4.5, they accept that fashion luxury item must cost higher than normal products but they still find the best deal if they can. While 'rare and scarcity' come after in the fifth place at score 3.31. And the last dimension is 'uniqueness' which score only 3.06 out of 5. 50% of the respondents said that dimension has a neutral effect to a level of luxury of the brands.

## 4.2 Insight information from interview

This part is about to find the behavior of respondents in term of Internet usage include the use of the official website of LFB, perception toward the official website of LFB, perception toward the official online store of LFB and intention to buy via official online store of LFB.

All respondents are using the Internet regularly. 94% of respondents are using the Internet every day. Only one of them is using Internet 3-5 times per week.

The average hour of surfing Internet per day is 2 to 4 hours. 56% of respondents are surfing about ‘fashion’. There are varied sources of fashion such as an official website, fashion bloggers or website of multi-brand store. Next famous activity online of the respondents is ‘shopping online’ both local and international website. Not only finding information about fashion and shopping online, they also surf the Internet in order to ‘updates general news’ and ‘updates about interesting food/restaurant’ which accounted for 25% each category. The other information that they are looking for are travel/hotel, music, movie, health and other entertainment which is less than 20% of respondents’ answers.

81% of respondents used to visit an official website of LFB that they interested. The topic that 62% of them interested the most is ‘new collection’. 32% of them are looking for product details include color, size, price, styling and many angles of the product. While 23% of respondents, who used to visit an official website, are looking for a fashion show or runway update.

75% of all respondents said that an official website is important for them because it is the channel that brands can update their collections and provide basic information such as brand history or collection inspiration. There is another channel that brands can present their identity or character or image and make the brands more trustworthy. It is also one of many sources that help them make a decision whether to buy the item(s) or not. But four respondents said that an official website is not important for them.

> *“I got a direct mail catalog from the brands so I prefer to update new collection from the catalog because sometimes items in an official website are not available in Thailand.”*

Some of them said that an official website did not have enough information in term of street style, mix and match or price. They cite that they love to visit instead of official website is style.com.

Table 4.6 shows the frequency of answer about ‘does an official online store changed your perception toward each dimension of luxury of LFB or not’.

**Table 4.6 Attitude toward six dimension of luxury according to the existing of an official online store**

| Six dimensions of luxury | Not change | | Change | | Depends | |
|---|---|---|---|---|---|---|
| | Total | % | Total | % | Total | % |
| **Excellent quality** | 13 | 81% | - | - | 3 | 19% |
| **Ancestral heritage and personal history** | 11 | 69% | 4 | 25% | 1 | 6% |
| **Uniqueness** | 10 | 63% | 6 | 38% | - | - |
| **Aesthetics** | 10 | 63% | 5 | 31% | 1 | 6% |
| **Very high price** | 8 | 50% | 8 | 50% | - | - |
| **Rare and Scarcity** | 7 | 44% | 9 | 56% | - | - |

In case that Chanel or Saint Laurent has their own official online store more that 80% responded that the quality of the products is still the same. Less than 20% of respondents said that it depends on the aesthetic of visual in the website.

70% of respondents said that Ancestral heritage and personal history of LFB did not change if they have an official online store. Four of them feel that the heritage of Loewe has changed positively due to its official online store.

*"The brand (Loewe) is looking more modernized and fresh, not look like a 170 years old brand anymore."*

63% of them said that uniqueness and aesthetic of product(s) are not changed due to the existing of an official online store. While 38% said that they perceived uniqueness of product differentiation due to the existing of an official online store. 31% change their perception toward product(s) aesthetic.

*"The uniqueness was decreasing when product can reach to more group of people, there is no exclusivity for that brand."*

*"Only the aesthetic from picture from website is not enough, I think the value added part need to be fulfilled such as inspiration of that item from salesperson or a detail from that item that I see by my own eyes. That moment has made the bag even more beautiful."*

Another dimension of luxury is a very high price, there is a 50-50 votes. Eight respondents said that the price is still the same even the brands sell in the online channel. While other eight respondents said that the item sold online must be cheaper due to less cost of operations include service. One of respondents said that the limited edition did not define luxury, the difficulty to get just make her feel proud to acquired, not related to the level of luxury of that item(s).

44% of respondents said that their perception toward a level of luxury of LFB has not changed due to the existing of an official online store because they feel confident with the brands, in this case are Chanel and Saint Laurent. And the brand heritage or the story of the brand is not changing so they perceive the same level of luxury. They also said it is good to have an official online store because there will be more convenient for them in term of finding information. But 1 respondent said that

> *"The level of luxury of the brands does not change but my needs for that item will be lesser than normal."*

There is 38% of respondent mentioned that their perception toward luxury value of LFB has changed due to the existing of an official online store. Most of them mention that if they bought from online, they will not experience the luxury service as they bought in boutique which is contrasted with the article "Luxury Consumers Value Products, Not Buying Experiences" by Ariel Adams (2013). He said that consumer behavior has changed from the buying experience involved dressing up and going into a high-end boutique to consult with a salesperson on what to buy and enjoying a glass of champagne while it was being carefully wrapped up for you. But, according to my result, some of Thai customers still want to buy experience. And all 6 respondents said that an official online store changes their perception toward 'rare and scarcity' and 'uniqueness' of product (Table 4.6).

The rest said it 'depends' on the brand and aesthetic of visual in the website. If the brand is strong enough in consumer perception, an official online store will not change their perception toward brand luxurious. And the visual include pictures and layout of the website must represent brand image and luxury very well. The aesthetic of the website is the feature that the user expected from luxury website according to the study of Riley and Lacroix (2014) about “Luxury branding in the Internet: lost opportunity or impossibility?”

About question “Would you purchasing from the official online store in Thailand?” 88% of respondents said they are not going to buy. There are 2 main reasons which are ‘delivery’ and ‘price’. Delivery issue includes the delivery is not covered Thailand yet, higher delivery fee and poor delivery system in Thailand. Plus, the price might get even higher when added tax fee, delivery cost and exchange rate. While 2 respondents said that they would buy from the official online store of the brand that they really like without tax charged. And 1 respondent said that sometimes the pictures are very beautiful, but it may not look that beautiful for her so she prefer not buying online.

The research “Comparing online and in-store shopping behavior towards luxury goods” said that online and in-store luxury shoppers were influenced by different motivational factors. Online luxury shoppers are price-conscious and require a higher level of trust. For this study, 50 % respondents said that the price from the official online store must be lower than a boutique. And most of them refuse the shopping from the official online store in Thailand because they do not trust the delivery system and concern about additional cost. It also stated that in-store shoppers who are more averse to online risks find it very important to see the product personally before the purchase and value shopping experience and interactions. Most of them, who are preferred shopping in-store, said that they want the shopping experience include see and try product before make a deal.

# CHAPTER V
# DISCUSSION AND CONCLUSIONS

This study is the exploratory study to see the effect of the official online store to perception and behavior of Thai consumers towards LFB. The result above makes the following contribution.

## 5.1 Communication channel and the actual usage of an official online store

From figure 5.1, you can see the huge growth of Instagram user in Thailand from 2012 to 2013. So the trend and the result of this research have confirmed that Instagram is one of the most powerful online media channels in Thailand recently. This channel will increase the exposure rate of products for the consumer.


**Figure 5.1 Instagram trend in Thailand 2013**

http://thumbsup.in.th/2014/03/instagram-in-thailand-2013-zocial-inc/

But Instagram provides only pictures with a little information so consumers will find more information from other sources such as official websites. The benefits of online channel which are cost, immediacy, tracking and audience (McQuerrey, 2014) make most of LFB focus more on this channel.

The traditional media, in this case is a magazine, still play the important role in fashion luxury industry due to the result that 50% of respondents still reading a magazine. It is important for brands or distributors to find a balance in term of media usage between traditional and online channel because magazines still have the influence on Thai consumers. Include direct mail communication that sends to customer still affective for specific group of customers.

## 5.2 Thai consumers' perception toward luxury value of LFB

Many studies show a psychological effect of pricing which explain as a 'price-quality' relationship. Figure 5.2 is one of many studies that explain the relationship between high price and excellent quality.

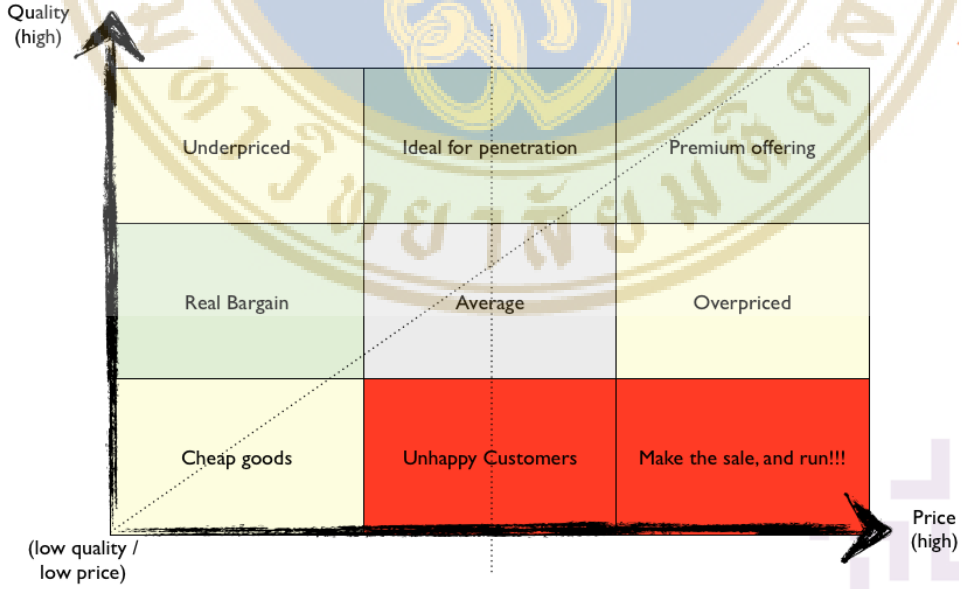


**Figure 5.2 Perceived Price vs Quality Matrix**

http://liveseysolar.com/pricing-professional-services-the-price-quality-relationship-data-case-study

This study found that most of the respondents were followed the theory from the result shows in Table 4.3 and Table 4.5. Fashion luxury consumers are willing to pay more for better or best quality of product. But the important thing, for Thai consumers, that can add to LFB is ancestral heritage and personal history. LFB should keep on telling their story to consumers in order to make them trust in the brand and maintain their perceived value since ‘ancestral heritage and personal history’ is scored higher than ‘aesthetic’ or we may imply that the storytelling can add value to the brands more that the beauty of its product.

The answers about their perception toward six dimensions of luxury due to the existing of an official online store are varied. There is no significant difference to summarize the effect of official online store toward six dimensions of luxury and the level of luxury.

On the other hand, there is a clear answer about the intention to buy from an official online store in Thailand. Most of them are not going to buy products from an official online store in Thailand because they worried about the poor quality in Thai delivery system. They worried about product damaged during the transportation process which is the external issue that more difficult to handle and costly.

## 5.3 Conclusion

There are evidences that an official online store is going to offer direct benefits for consumer and indirect benefits for LFB. The result shows that Thai consumer will go to an official website when they need more information and the information that they are often looking for is price. So it is going to be great for LFB to provide one stop service to impress the prospect customers from online channels. When compare the result in each dimension of luxury, especially for top three dimensions that they concerned, there is not negative signal for luxury value of LFB. First is Excellent Quality which effect on no one but LFB has to be careful of the aesthetic of a product picture in an official online store. Second is Very High Price which is 50-50 answer, but most of they seem to understand that price is changing due to operation cost and shopping experience that LFB offer in each channel. And they are willing to spend a little higher at boutiques in order to get shopping experience. Third is Ancestral heritage and personal history which has not changed their perception toward luxury value of LFB. Even it changes, it changes in a good way such as when 1 respondent mentioned about Loewe.

The study shows that website of LFB is important in Thailand as a source of original information. The aesthetic is very important not only information section, but also the online store section. The official online store might not able to create transaction from Thai consumer, but it creates value for the brand in term of service. LFB's website can provide one-stop service for customer in term of providing information and that increase level of consumer engagement. So, it is very important for LFB to plan an effective digital platform to use globally and internationally as fast as possible due to consumer behavior in order to fully gain advantages from the Internet.

## 5.4 Limitation and future research suggestion

Since the result of this study cannot make a final summary about the perception of Thai consumer towards luxury value of LFB due to the effect of an official online store. Although this paper has found some important points in perception of luxury and behavior toward an official online store of Thai consumers who purchased fashion luxury products, but this group of respondents is quite narrow. All of them gain household income more than 500,000 Baht per month and very engage with brands.

The suggestion for future research is to study about the attributes that might help LFB to develop digital platform and overall marketing plan by adapting from this research framework Figure 2.2 and extend the sample to other different groups such as age, income or purchasing LFB behavior.

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# APPENDICES

## APPENDIX A: Pilot questionnaire

1. Have you bought product(s) from Chanel or Saint Laurent or Loewe from official boutique within this past 18 months?
   - ☐ Yes
   - ☐ No – End of questionnaire
2. How often did you bought fashion luxury products in a year?
   - ☐ Once a year
   - ☐ Twice a year
   - ☐ 3 times a year
   - ☐ 4 times a year
   - ☐ more than 4 times a year
3. Where did you get the information about that item for the first time? (can answer more than 1)
   - ☐ Magazine
   - ☐ Magazine's website
   - ☐ Facebook
   - ☐ Instagram
   - ☐ Official website
   - ☐ Fashion blogger
   - ☐ Fashion website please specify ……….
   - ☐ Others please specify ……….
4. Normally, when you want to purchase the item you want, did you search more information about that item or went directly to purchase at boutique?
   - ☐ Search more Information
   - ☐ Go to boutique
5. Where did you find more information? (can answer more than 1)
   - ☐ Friends
   - ☐ Magazine
   - ☐ Magazine's website
   - ☐ Facebook
   - ☐ Instagram
   - ☐ Official website
   - ☐ Fashion blogger
   - ☐ Fashion website please specify ……….
   - ☐ Others please specify ……….
6. What are the information that you looking for? (can answer more than 1)
   - ☐ Price
   - ☐ Materials
   - ☐ Styling
   - ☐ Others please specify ………

7. What is the most concern thing when you are going to purchase fashion luxury product? (can answer more than 1)

☐ Quality ☐ Function

☐ Price ☐ Brand

☐ Popularity ☐ Others please specify ……….

8. Where do you bought the item you want? (can answer more than 1)

☐ Grey market ☐ Local boutique

☐ Abroad ☐ Others please specify ……….

Your personal attitude towards luxury products

| | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| I think that Luxury products must be better quality than others. | | | | | |
| I think that Luxury products must be more expensive than others. | | | | | |
| I think that Luxury products must be limited and difficult to get. | | | | | |
| I think that Luxury products must be recognized by my friends/family/colleagues. | | | | | |
| I think that Luxury products must look more appealing than others. | | | | | |
| I think that Luxury products must have a history of the brand/products. | | | | | |

General Information

9. Gender

☐ Female ☐ Male

10. Age

☐ Less than 20 ☐ 20-25

☐ 26-30 ☐ 31-35

☐ 36-40 ☐ More than 40

## APPENDIX B: Interview question

Internet usage

1. How often do you serving the Internet? (during leisure time)
2. What is the estimated time serving the Internet in 1 day?
3. What is the regular topic that you have to search every time you serve the Internet?

The use of the official website

4. Have you visit the official website of that brand? Why / why not?
5. What is the information that you want from the official website?
6. In your opinion, is it important for brand having an official website?

Official online store

7. What do you think? Is it changing your perception toward brand?
    a. Do you think an official online store change the quality of the product(s)?
    b. Do you think an official online store change the price strategy of fashion luxury brand?
    c. Do you think an official online store change the level of scarcity of the product(s)?
    d. Do you think an official online store change the uniqueness/identity of the product(s)?
    e. Do you think an official online store change the aesthetic of the product(s)?
    f. Do you think an official online store change the heritage of fashion luxury brand?
8. According to Question No.17, about factors (a./b./c./d./e./f.) that changed, does it make that brand less luxury?
9. Would you purchasing from the official online store in Thailand? Why/why not?