

A STUDY ON FACTORS AFFECTING ONLINE  
SHOPPING INTENTION TOWARDS LUXURY  
PRODUCTS AMONG GENERATION Y IN MALAYSIA

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DEPARTMENT OF INTERNATIONAL BUSINESS

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GENERATION Y IN MALAYSIA

BY

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AND GENERATION Y

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Date: 16 APRIL 2019

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**DEDICATION**

This humble work is especially dedicated to:

Ms. Khong Yeen Lai, our project supervisor,

All the respondents,

And to our family and all our loved ones,

Thank you for your guidance and support.

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## **ABSTRACT**

Luxury brands always have been comfortable with their traditional way of doing business through classical retail outlets that some are reluctant to change their mind set. Due to advance technology, more luxury brands have started to embrace digital communication and some are even actively engaging themselves in online sales. While older shoppers have traditionally been the growth engine of luxury sales, affluent buyers born after 1980, Generation Y and Generation Z consumers, are now making up over 30 percent of all luxury spending; generating 85 percent of the global luxury growth in 2017.

The worldwide online shopping trend is increasing; the same goes to the trend of online shopping in Malaysia which is also increasing. However, the trend of online shopping for luxury products in Malaysia is still very slow. The purpose of this study is to examine factors affecting online shopping intention towards luxury products among Generation Y in Malaysia. The factors used in this study are: perceived usefulness, perceived ease of use, perceived risk, price, and perceived trust.

In this research study, there were 213 valid respondents collected from Malaysian's Generation Y consumers via links and QR code to an online Google form. The data collected data were analyzed using Statistical Package for Social Science (SPSS) software.

The results had clearly shown that perceived usefulness, ease of use, and trust has a major significant influence on Generation Y's online purchase intention towards luxury products. Our findings shows H1, H2, and H5 were supported; perceived usefulness, perceived ease of use, and perceived trust. However, H3 and H4 were rejected as perceived risk and price was found to have an insignificant relationship with Generation Y's online purchase intention towards luxury products. The implications, limitations and recommendations for future study were discussed.

## **CHAPTER 1: INTRODUCTION**

### **1.0 Introduction**

Chapter one, the background of the research is explained to provide a better understanding about the research. Problem statements are developed in order to investigate the factors affecting Generation Y's online purchase intention. Research objective and research questions are established as a focus to address the purpose this research, along with the significance. Lastly, the chapter layout and conclusion to summarize each chapter of the research report.

### **1.1 Research Background**

Luxury brands have always been comfortable with their traditional way of doing business through retail outlets; some are reluctant change their mind set. According to Geerts (2013), the increasing presence of luxury brands on the Internet, through the creation of their own website or on multi-brand websites, provides evidence that reconciling the Internet and luxury is possible, desirable and even unavoidable. Due to advanced technology, more luxury brands have started to embrace digital communication, even actively engaging themselves in online sales. Their sentiment shifts from "Do we need to be online?" to more complicated questions such as "How do we actually do it right?" and "How can we make better use of digital opportunities?" (Heine & Berghaus, 2014). According to Beauloye (2019), few of most popular luxury brands online in 2019 are named as Gucci, Chanel and Hermes, analysed their social media audience and social media engagement to provide active online sales engagement.

On a worldwide basis, according to McKinsey and Company analysis in 2018, 70% of luxuries sales are influenced by online, 8% are online sales and 22%



are pure offline sales. The biggest luxury categories for online sales are: beauty products, apparel, and accessories. Consumers shopping for affordable luxury are more inclined to buy online than “absolute” luxury shoppers. The consumers in the affordable luxury segment are younger, with the millennial segment being over-indexed, and hence more willing to experiment as defined by McKinsey.

Based on Internet Users Survey (MCMC, 2018), the percentage of online shoppers among Internet users in Malaysia increased from 48.8% in 2016 to 53.3% in 2018. The e-commerce gross value added contributed 6.3% to nation’s gross domestic product (GDP) in 2017, promoting a steady growth of e-commerce market from 4.6% in 2010. Additionally, the value added for e-commerce has increased to RM85.8 billion in 2017, a visible increase from RM75.0 billion in 2016, as reported by MCMC. MCMC (2017) indicated that online shopping is an increasing trend although lesser compared to general purchase through classic retail outlets considering the figure of Malaysian internet users that did not shop online (51.2%) is more than internet users that shopped online (48.8%).

While older shoppers have traditionally been the growth engine of luxury sales, affluent buyers born after 1980, called the Millennials (born between 1981 and 1994) and Generation Z (born between 1995 and 2010) consumers, are now making up over 30 percent of all luxury spending thus generated 85 percent of the global luxury growth in 2017 (Woodworth, 2019). Past studies had analysed luxury website types and features and luxury consumers’ social media behaviour (Heine & Berghaus, 2014) and the characterization of the Millennials and their buying behaviour (Moreno, Lafuente, Carreón & Moreno, 2017),

## 1.2 Problem Statement

According to "Global retail e-commerce market size 2014-2021 | Statista (2018), retail e-commerce sales worldwide amounted to 2.3 trillion US dollars and e-retail revenues are projected to grow to 4.88 trillion US dollars in 2021. Furthermore, the e-commerce's regional markets are ranked with Asia (\$831.7 billion) as the top region. (Orendorff, 2019) The number of digital buyers worldwide is also increasing from 1.66 billion to 1.79 billion in 2018 ("Digital buyers worldwide 2021 | Statistic", 2018.).

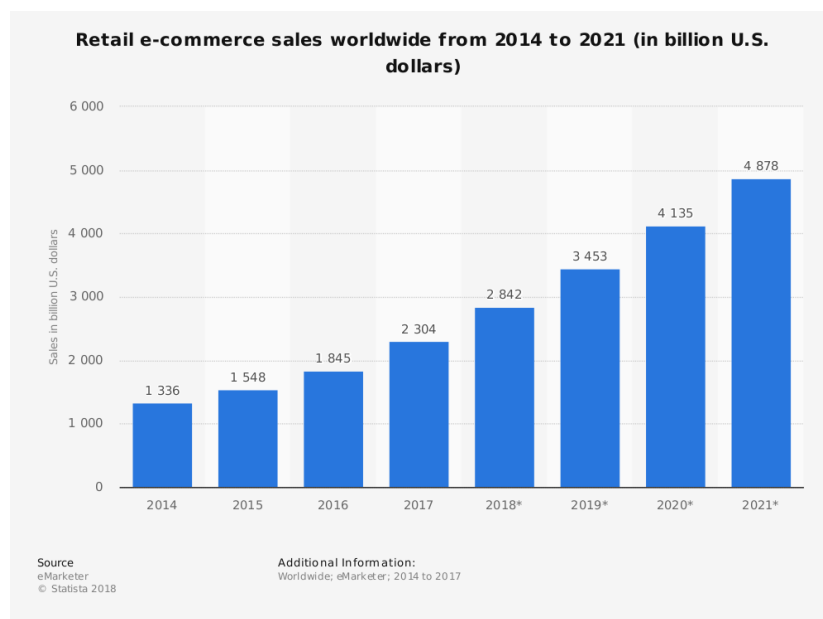


Figure 1.1: Global retail e-commerce market size 2014-2021 | Statista (2018)

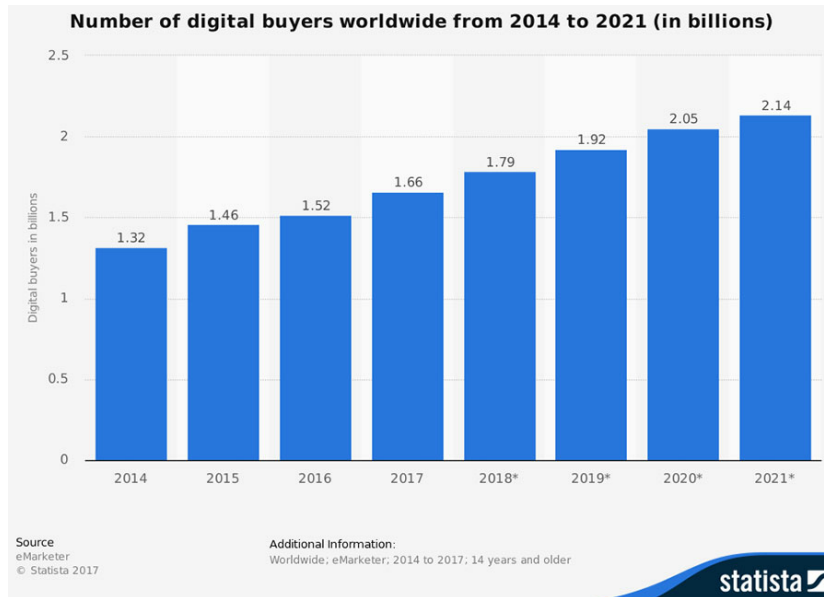


Figure 1.2: Number of digital buyers worldwide from 2014 to 2021 (in billions)

Along with advancement of the Internet, online shopping has proved to be a significant contribution to the economic growth of Malaysia (NSTP Team, 2018). According to Euromonitor International, internet retailing in Malaysia grew from RM1.29 billion in 2012 to RM5.09 billion last year 2017. Euromonitor International also further explained that *“Consumers in Malaysia are becoming increasingly accustomed to online shopping through a range of electronic devices such as computers, tablets and mobile phones. With the nation’s developed telecommunication infrastructure and high mobile penetration rates, many consumers have access to the internet and online stores* (Surendran, 2018).

Based on MCMC Internet Users Survey 2018, the percentage of internet users in Malaysia engaged in online shopping increases dramatically from 48.8% in 2016 to 58.3% in 2018 (Figure 1.3). There is an increase of 48.8% of online shoppers in Malaysia in 2016 as compared to only 35.3% in 2015, in which 56.7% were engaged in online shopping for a few times a year, 24.7% on monthly basis, and 4.8% on weekly or daily basis whilst 13.8% shop online for once a year. (MCMC, 2017) Few categories most preferred by online shoppers worldwide are clothing, shoes and consumers electronics (*“Leading online shopping categories worldwide 2018 | Statistic”*, 2018).

Despite the rapid growth in online shoppers, luxury products are taking it slow in climbing the online retail market. As more consumers are accepting internet purchasing, luxury vendors have quickened their adoption of the internet and begun to use sophisticated information technologies to improve their online presence and promote brand awareness (Liu, Burns & Hou, 2013).

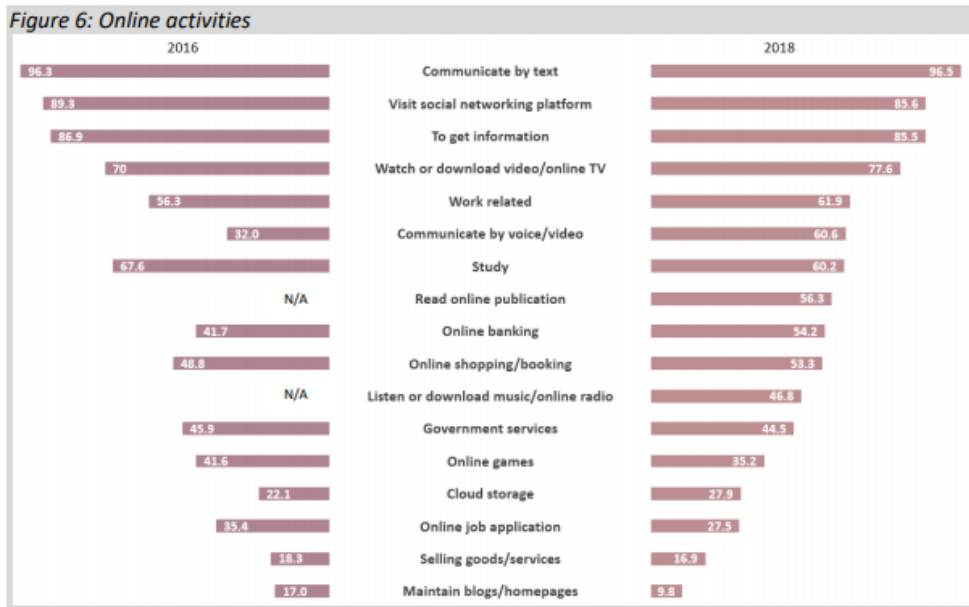


Figure 1.3: MCMC Internet Users Survey 2018

Locally, the most common online purchases are apparel and footwear (28% of online sales) followed by media products (20% of online sales) and consumer electronics (14% of online sales). Online products with a price range between MYR200-300 are those most commonly purchased by Malaysian consumers. (HKTDC Research, 2017) Thus, products such as luxury jewellery and watches have struggled to attract online shoppers (HKTDC Research, 2017). Therefore, it shows that although the trend of online shopping is increasing, the online luxury purchases are still slow at its growth.

There are limited studies being done on the factors affecting online shopping intention towards luxury products especially among Generation Y in Malaysia context. Thus, it motivates us to study deeper into this particular topic to answer questions such as what might be the main factors that may influence the

online shopping intention of Generation Y luxury consumers. Thus, it is necessary to investigate the factors affecting online shopping intention towards luxury products among Generation Y in Malaysia.

## **1.3 Research Objectives**

This section explains the general objective of this study. Additionally, the disintegration of the specific areas to be studied in this research will also be demonstrated.

### **1.3.1 The General Objective**

The purpose of this study is to examine whether PU, PEOU, PR, Price and PT will affect Generation Y's online purchase intention towards luxury products.

### **1.3.2 The Specific Objectives**

The following research objectives are therefore proposed to generate better discernment on the issues.

- a) To examine **PU** in relation with Generation Y's online purchase intention towards luxury products.
- b) To examine **PEOU** in relation with Generation Y's online purchase intention towards luxury products.
- c) To examine **PR** in relation with Generation Y's online purchase intention towards luxury products.
- d) To examine **price** affects Generation Y's online purchase intention towards luxury products.
- e) To examine **PT** in relation with Generation Y's online purchase intention towards luxury products.

## **1.4 Research Questions**

The proposed research questions as below:

- a) Does **PU** positively affect Generation Y's online purchase intention towards luxury products?
- b) Does **PEOU** positively affect Generation Y's online purchase intention towards luxury products?
- c) Does **PR** negatively affect Generation Y's online purchase intention towards luxury products?
- d) Does **price** positively affects Generation Y's online purchase intention towards luxury products?
- e) Does **PT** positively affect Generation Y's online purchase intention towards luxury products?

## **1.5 Hypotheses of the Study**

Five hypotheses are proposed to observe the research inquiries.

- H1: There is a positive relationship between **PU** and Generation Y's online purchase intention towards luxury products.
- H2: There is a positive relationship between **PEOU** and Generation Y's online purchase intention towards luxury products.
- H3: There is a negative relationship between **PR** and Generation Y's online purchase intention towards luxury products.
- H4: There is a positive relationship between **price** and Generation Y's online purchase intention towards luxury products.
- H5: There is a positive relationship between **PT** and Generation Y's online purchase intention towards luxury products.

## **1.6 Significance of the Study**

Five factors are proposed to evaluate issues that may affect Generation Y's online purchase intention towards luxury products in Malaysia context. There are PU, PEOU, PR, Price and PT. This study provides deeper insight and information regarding the above matter for companies and researchers to have better understanding concerning Generation Y's online purchase intention towards luxury products. Firms that intended to win over Generation Y may utilise this paper to improve their business tactics and focus on certain important areas.

## **1.7 Chapter Layout**

### **Chapter 1: Introduction**

This chapter provides a general review by enlightening issues that affect Generation Y's online purchase intention towards luxury products in Malaysia. The research background is discussed and the problem statement is identified. Additionally, a proposed research objective is stated, followed by the research questions and hypotheses to be analysed. Lastly, significance of the study will be stated and brief general review explaining each chapter within the research project.

### **Chapter 2: Literature Review**

This chapter includes the review of the literature of this research. Additionally, theoretical models used in this study will be discussed. The proposed conceptual framework to identify the network of relationship and also hypotheses development will also be identified. Furthermore, the correlation of five independent variables and a dependant variable of the study will also be

discussed. Lastly, an in-depth details about each variable along with supported studies of prior researchers.

### **Chapter 3: Methodology**

This chapter details the research methodology used in the current research project. Firstly, explanation regarding the research design and methods of gathering data will be stated. Secondly, the review of sampling designs. Next, research instrument and construct measurement for the questionnaire is discussed. Then, a discussion on the data processing methods adopted to reduce error when using the survey instruments and to improve quality of research. Lastly, data analysis discusses the validating and reliability on the measurement model and assessment of structural model.

### **Chapter 4: Data Analysis**

It begins with the analysing and discussing of the results of the survey continued with the assessment of measurement model and the validating of structural model for the purpose of hypothesis testing. Under measurement model, several items are included such as data reliability, convergent validity and discriminant validity. The testing of hypotheses will be done under structural model.

### **Chapter 5: Discussion, Conclusion and Implication**

The last chapter explains about the overall statistical analysis, key findings and the results of hypotheses testing. Secondly, a review of implications and address the constraints of the research. Next, it will discuss suggestions for the next research. Lastly, it will conclude the research project.



## **1.8 Conclusion**

This chapter contains a brief introduction, research background regarding online purchase of luxury products and the proposal of research objectives and questions needed to analyse factors affecting Generation Y's online purchase intention towards luxury products is also included. Next, the proposed hypotheses compiled to conforming to the research questions. Lastly, the significance of the study is also discussed and ended with the presentation of the whole chapter layout.

## **CHAPTER 2: REVIEW OF LITERATURE**

### **2.0 Introduction**

Chapter Two includes explanations of dependent variable and independent variables, review of the theoretical framework model, the proposed conceptual framework and the conclusion for this chapter. The variables are adopted from the past research done by Sohn (2017), and Chi, Chee, Cheng, and Von (2014). The discussion will include literature review of the factors affecting online shopping intention towards luxury products among Generation Y in Malaysia. The literature review includes one dependent variable which is Purchase Intention, and five independent variables: PU, PEOU, PR, Price, and PT.

#### **2.1.1 Technology Acceptance Model (TAM)**

TAM is one of the most utilized models to examine the relation of variables, behavioural intention, and the direct or indirect use of technology (Scherer, Siddiq, and Tondeur, 2018). TAM studies the users' acceptance of an information technology system based on the theoretical variables of reasoned action (Scherer et al., 2018). TAM requires integration of variables of both human and social processes to examine the theoretical model (Scherer et al., 2018). It allows researchers to evaluate the users' PEOU in the degree of lack of effort required by users to adopt a given technology and PU in the degree to which users thinks a technology would enhance the users' performance or productivity (Scherer et al, 2018).

TAM was developed by Davis (1993), composed of two beliefs, the PEOU and the PU, which determine users' attitude to adopt new technologies (Scherer et al, 2018). TAM studies users' positive and negative behaviour of accepting information system technology and their

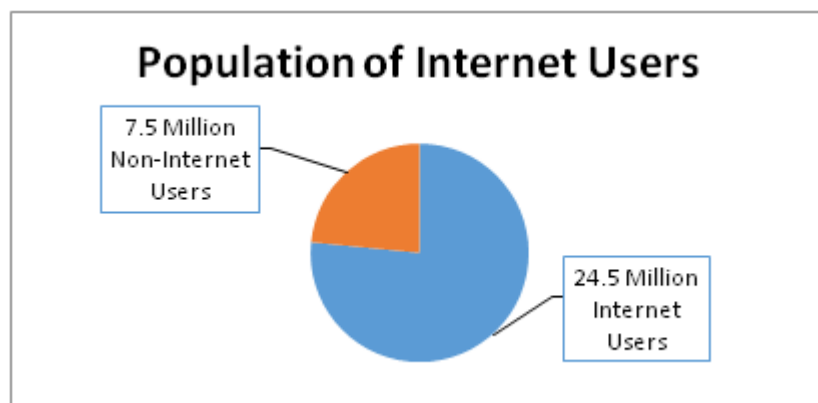
behavioural intention towards it (Scherer et al, 2018). In this research TAM is used to study the acceptance of online shopping (Law, Kwok, and Ng, 2016). This research intended to understand consumer of a particular generation's intention to use e-commerce to conduct purchases and their perceived factors usefulness, ease, risk, price and trust when using e-commerce.

### **2.1.2 Internet Usage**

Internet started in the early 1960s, during the period of the Cold War in the United States (Cohen-Almagor, 2011, p. 46). By late 1980s, the use of Internet has expanded for commercial use. In the late 1980s, Malaysian Institutes of Microelectronics Systems (MIMOS) established the Internet into Malaysia's infrastructure (Ramadass& Osman, 2012). Now, the Internet is widely used as a tool for communication, an information source, source for entertainment and an online platform for businesses.

According to Malaysian Communications and Multimedia Commission (MCMC) in 2017, from the population of 32 million in Malaysia, about 24.5 million (76.9%) are Internet users and 7.5 million (23.1%) are non-Internet users.

Figure 2.1.1: Internet Users in Malaysia by MCMC 2017



Source: Internet Users Survey 2017. Malaysian Communications and Multimedia Commission (MCMC).

According to MCMC, Smartphone is the most common device used to access the Internet. A total of 21.9 million (89.4%) people access the Internet via Smartphone, compared to other devices such as laptop, tablet, and desktop PC's the numbers are much lower.

Figure 2.1.2: E-commerce Users in Malaysia by MCMC 2017



Source: Internet Users Survey 2017. Malaysian Communications and Multimedia Commission (MCMC).

MCMC found that e-commerce participants have increased from 35.3% in 2015 to 48.8% in 2016, mostly due consumers' perception of risk towards e-commerce (Slam, Rao, and Pegels, 2003). 56.7% of e-commerce users conduct online shopping activities a few times per year, 24.7% on a monthly basis and 4.8% shop online on a weekly or daily basis. Only 13.8% shop online at least once a year. Although there are more non-online shoppers than online shoppers (MCMC, 2017), online shopping is still growing by leaps and bound in Malaysia. However, the trend of shopping for luxury products online is still low (Vijaindren, 2017). Gen Y accounts for 40% of Malaysia's total population and it is the largest segment. Based on Sundaily.my report in 2018, 85% of Malaysia's online shoppers are from Gen Y.

According to Vermeren’s study (as cited from Pew Research Center), the percentage of women using the Internet is 76%, higher than men who are at 72%. Vermeren stated that men uses the Internet for business reasons, while women uses the Internet for social reasons. Women tend to use social media for personal connections and are more likely to share information, opinions and expressions no social media.

### **2.1.3 Generation Y**

Table 2.1.3: Generation Y Defined by Different Authors.

| Sources of Authors   | Generation Y Defined (Age in 2018)                 |
|--|--|
| Online Purchase: A Study of Generation Y in Malaysia<br>Lim, Omar, and Thurasamy. (2015).  | Born between 1978and 1995<br>(21 to 40 years old)  |
| Factors influencing the usage of mobile apps for travel among generation-Y in Malaysia<br>Yueng-Hee, Iskandar, and Yusuf. (2017) | Born between 1977 and 1996<br>(22 to 40 years old) |

Gen Y is the generation that comes after Generation X. A few other terms for Gen Y are Millennials, and Echo Boomers (Generation Y and Echo Boomer, 2018). The phrase Gen Y is said to have been coined in the early ‘90s by Advertising Age to describe the teens of the day (Lim, Omar, and Thurasamy, 2015). According to the Business Dictionary (2018), Gen Y refers to those born during 1980s and 1990s.

In the research of Yueng-Hee, Iskandar, and Yusuf (2017), Gen Y is measured from 1977 to 1996. Lim et al. (2015) mentioned that people

born between 1978 and 1995 are considered to belong in the Gen Y. Both studies cover Malaysians online usage of Gen Y, similar to this intended study.

Generation Y are independent, creative and achievement oriented (Lim et al, 2015). They are also tech-savvy as they were raised in the growth of the Television and the Internet. Gen Y grew up with utilizing the Internet as their primary tool for information gathering and communication (Lim et al, 2015). Gen Y are immune to most traditional marketing strategies and are less brand loyal as they lean towards the experience value and the authenticity value (Lim et al, 2015). This is because the life choice of future earnings and entrance into adulthood of Gen Y had been shaped by the height of the economic recession (Paul, 2017).

According to “Millennial Moment”, Gen Y is the largest growing generation with a highest level of spending power. They are known for their compulsive buying behavior, therefore has the likelihood to spend their money on comforts and conveniences (Duh, and Teichert, 2016; Elkins, 2017).

In Malaysia, while online shopping has grown by leap and bound, the trend of shopping for luxury products online is still low (Vijaindren, 2017). Gen Y accounts for 40% of Malaysia’s total population and 85% of online shoppers are from Gen Y (Sundaily.my, 2018). Department of Statistic Malaysia (DOSM) in 2017 reported the average monthly income of a 21 year old is RM 1417 and the monthly income of a 40 year old is RM3068.

While there are many inconsistencies and arguments of the age range of Gen Y, many Malaysian studies shown to accept Gen Y to be born in the year between 1978 and 1996 (Lim et al, 2015). As the trend of online shopping and purchasing power of Gen Y is increasing, the researcher aims to study the age group born between 1978 to 1997 (age 21 to 40 years old). Our reason for selecting this age group is due to their

purchasing power and their working income. This Gen Y would have the income capability to purchase luxury products and experience of shopping online.

#### **2.1.4 Online Shopping**

Online shopping, that is, purchases which customers make through various electronic systems has boomed around the world (Schultz, and Block, 2015). As computers have grown smaller and more powerful, simultaneous television and Internet consumption has rapidly increased. Information and communication technologies (ICT) have experienced a persistent increase in usage over the last decades, allow for a more flexible spatial and temporal accomplishment of shopping activities in online shopping context. A shift from traditional store towards online shopping has been ongoing for some time, and has become more and more important in terms of market shares and individual behavior (Schmid, and Axhausen, 2018).

The trend of online shopping has been growing tremendously on a global scale. Meanwhile, the growth of online shopping in Malaysia is also growing at a fast rate as Malaysians are becoming increasingly accustomed to online shopping through electronic devices (Surendran, 2018). According to a survey conducted by 11street in 2016 in which 3,507 respondents participated, over 80% respondents have shopped online and 59% shop online at least once a month or more frequently, the online shopping sphere in Malaysia is indeed flourishing (The Sun Daily, 2016). Based on the survey, the five key trends for online shopping in Malaysia for the coming years are Online Shopping is the Way Forward, Payment Methods will Continue to Mushroom, Exploration and Venture into New Product Categories, Express Delivery will Gain Traction and Online Shopping Goes Beyond Price (“11street Survey Results”, 2016). Thus it can be concluded that online shopping sphere in Malaysia is

thriving, basically fueled by potentials for it to mature and grow ("Online shopping sphere in Malaysia", 2016).

### **2.1.5 Luxury Products**

Consumers, regardless of their income level or social standing, are willing to spend large sums of money on luxury products to enhance their status (Chan, To, and Chu, 2015). While various authors have provided multiple models and conceptualizations to provide the term “luxury” with shape and boundaries over the years, it remains difficult to define (Sjostrom, Corsi, and Lockshin, 2016). The meaning of luxury differs. According to Financial Times (2018), in a business context “luxury” means a product that is advance or most expensive a business or market can offer. What might be referred to as luxury by one person might be considered anodyne and every-day commodity by another (Nwankwo, Hamelin, and Khaled, 2014). While contemporary new luxury is seen in down-market models of luxury automobiles and relatively low-priced accessories by high-end luxury goods makers (e.g., Dior sunglasses, Louis Vuitton wallets and Hermes scarves), earlier versions of ‘populuxe’ showed up in 1950s and 1960s in the form of American car tail fins, Naugahyde furniture, and the themed resorts of Las Vegas (Eckhardt, Belk, and Wilson, 2014).

With more consumers accepting internet purchasing, luxury vendors have quickened their adoption of the internet and begun to use sophisticated information technologies to improve their online presence and promote brand awareness (Liu et al., 2013). According to “Insights and trends of e-commerce in Malaysia” (2018), though the trend of online shopping is increasing in popularity in Malaysia, the trend of online shopping for luxury products is still low compared to others. Nowadays, the online presence of luxury brands is crucial in all phases of the consumers’ decision making process, including need recognition, information search,



evaluation of alternatives and the actual purchase (Beuckels, and Hudders, 2016). Few reasons why luxury products are slowly climbing up the online market are lack of exclusivity personal connection with the customers compared to purchasing luxury products brick-and-mortar way (Zorzini, 2017), the fact that there is finally a level of trust for buying luxury good online and the advantage to gain ability to reach a much larger market compared to brick-and-mortar stores where the company is confined to a location.

### **2.1.6 Perceived Usefulness (PU)**

Perceived Usefulness is one of the independent variables in the TAM (Davis, 1989). It intended to measure behavioural intention of an individual perception utilizing a particular system of an activity will enhance their productivity (Davis, 1989).

Past research studies show that PU is positively associated with an individual's continuance intention of using technological system such as mobile shopping apps (Sohn, 2017), online airline platforms (Renny, Guritno and Siringoringo, 2012), online customer feedback (Felbermayrand Nanopoulos, 2016), and instant messaging in e-commerce (Yan and Wang, 2016).

As the trend of global online shopping increases, so is the trend of online shopping in Malaysia. However, the intention of buying luxury products online is still very low. For this research, the PU is described as extent of which consumers believe that using online platforms to conduct their shopping will enhance their productivity in relation with purchasing luxury products.

### **2.1.7 Perceived Ease of Use (PEOU)**

Perceived Ease of Use is one of the independent variables in the TAM (Davis, 1989). It is described as the ability to proceed with something without difficulty (Davis, 1989). When competitors offer products or services that have the same functionality and the same reliability, consumers would turn to “Ease of Use” as their deal-breaker. (Khazaei, Manjiri, Samiey, and Najafi, 2014)

Many consumers choose to conduct online shopping because of the convenience it provides (Khazaei et al., 2014). For instance, if a consumer were to shop at a traditional retail store, they would have to drive to the store, find a parking place, and walk throughout the store to look for the product they need, and pay at the cash register where they may often need to stand in long lines and wait. In a nutshell, shopping in retail stores can be time consuming (Berry et al., 2002).

In contrast, online shopping provides an alternative for consumers to avoid the disadvantages found in shopping in retail stores. All a consumer needs is the Internet, visit websites that sell products online, type in product name or description and search and compare (Ashraf, Narongsak (Tek) Thongpapanl, &Seigyoung, 2014; Salehi, Abdollahbeigi, Langroudi, &Salehi, 2012). Once they found the products, they can place the products in a virtual shopping cart until they are ready to make purchase. The consumer can remain at home as they shop online. Khazaei et al. (2014) mentioned shopping online is a boon for time constrained consumers, as the process can be done in the wee hours of the morning or into the night as online stores never close (Salehi et al, 2012).

Despite the PEOU of online luxury shopping sites, not everyone will choose to shop online for products and services, especially for luxury items. Some consumer like the idea of physically going to a store and

experience the shopping process of buying luxury products (Huang, Schrank and Dubinsky, 2004) to physically touch and test out the products (Huang et al., 2004). An online shopping site does not permit consumers to touch the products (Huang et al., 2004) nor does it allow consumers to take the luxury products home on the same day as purchase. This research is intended to understand consumers' perception on PEOU on online shopping. Studies have shown that consumers have a significant positive relationship on PEOU on online shopping for luxury products (Khazaei et al, 2014; Kaura, Durga Prasad, and Sharma, 2015).

### **2.1.8 Perceived Risk (PR)**

Liew (2015) mentioned perceived risk is a set of uncertainties that consumers have in their minds while purchasing a product or service. It can incur during the process of buying or the perceived outcome of the product usage in meeting expectation (Huang et al, 2004; Pi and Sangruang, 2011). PR is basically a kind of psychological and functional risk that consumer feels while purchasing a product, (Marroitt and Williams, 2018; Pi and Sangruang, 2011) and it is subjective in nature and differs from people to people.

Past research has shown PR tends to influence consumers' online purchasing intention (Liew, 2015; Pi and Sangruang, 2011). During the process in e-transaction, consumers' with high PR may exhibit emotions like uncertainty, concern and anxiety (Huang et al, 2004; Pi and Sangruang, 2011) which influence consumers' intention to purchase.

Moreover, consumers with low PR are generally more willing to use online shopping platforms to conduct purchases (Huang et al., 2004; Pi and Sangruang, 2011). Their willingness to use online platforms was shown to be more noticeable in studies where consumers trust in known online shopping sites (Huang et al., 2004; Liew, 2015). Reason may due

to established reputation of popular online shopping sites that creates a perception of trust, which reduces consumers' PR of the purchase (Shubin Yu, Hudders and Cauberghe, 2018).

This research will investigate whether a consumer's risk perception would have an influence on their online purchase intention (Huang et al., 2004; Pi and Sangruang, 2011) towards luxury products. Hence, PR is selected to be included in this study.

### **2.1.9 Price**

Price is the value that sellers' put on a products or services and value consumers would willingly pay for ("Price", 2018). Sellers charge higher price for products that can bring greater value and charge lower price for products that provides a lesser value (Graciola, De Toni, De Lima, and Milan, 2018). When sellers charge a higher price than their competitors, they create the perception that they are selling a higher value product ("Premium Pricing", 2018; Graciola et al, 2018). For consumers, price that matches the product value is a consideration in their purchase decision (Graciola et al, 2018).

Price sensitivity refers to consumers' awareness of the prices of the products or services that they intend to pay for ("Price Sensitivity", 2018). Price sensitive consumers are less likely to consider the differentiation value between companies selling a similar product or service (Graciola et al, 2018).

Shopping in a traditional retail store, consumer would have to settle for whatever price that has been set on a particular product (Bodur, Klein, and Arora, 2015). But with online shopping for luxury products, consumers are able to find the best price as they have the ability to compare prices from different online stores against physical stores

(Bodur et al, 2015; Graciola et al, 2018; Schmid and Axhausen, 2018). In some situations, consumers may be able to get a lower price by taking advantage of online sales and discounts for luxury products (Liew, 2015). There is a proliferation of websites selling supposedly luxury items offering cheap prices and alluringly quick delivery times, while the makers of fake luxury goods also use existing online retailers to sell and promote their wares (Zafar, 2018). Therefore, when stores offer similar products or services that have attributes of functionality, reliability, and convenience, consumers would turn to Price as a factor of purchase intention (Bodur et al, 2015; Salehi et al, 2012). Studies have shown that consumers have a significant positive relationship on Price on online shopping (Kaura et al, 2015; Schmid et al, 2018).

#### **2.1.10 Perceived Trust (PT)**

Perceived trust (Mayer, Davis and Schoorman, 1995) is “the willingness of a party to be vulnerable to the actions of another party based on expectations the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. Bauman and Bachmann (2017) explained, while numerous interpretations of the concept of trust exist, they all focus on the following elements that have to be present for trust to occur in which trustor and trustee must exist to develop trust, vulnerability must be present (trust exists only in a risky or uncertain situation) and trust is a context-sensitive concept (trust is affected by many subjective individual and environmental circumstances, and as such, is dependent on the context of the situation).

The development of trust in a website is crucial as it has been shown to be a mediator in the relationship between website attributes (privacy, security, information design and communication) and purchase intention (Ashraf et al., 2014; Wu, Chen and Chaney, 2012). It is human nature for consumers to be suspicious while engaging in online shopping as in

“traditional” business transactions, buyers can interact with sellers and physically touch the products, whereas in most online shops consumers are unable to interact personally with the online retailers and can only rely on the photos and descriptions provided. (Wu et al., 2012) However, the limited Web interface does not allow consumers to judge whether a vendor is trustworthy as in a typical, face-to-face interaction making trust an issue because vendors can easily take advantage of online consumers (Gefen, Karahanna& Straub, 2003).

In the luxury goods sector, developing trust is more complicated as the Internet has “spawned a lucrative trade in counterfeit goods” (Wu et al. 2012). It is also twice as hard for people to know what they’re buying is valid when they’re viewing it behind a computer screen (Zafar, 2018). As per the GBCR 2018, the amount of total counterfeiting globally has reached to 1.2 Trillion USD in 2017 and is bound to reach 1.82 Trillion USD by the year 2020. (“Global Brand Counterfeiting Report, 2018 - Research and Markets”, 2018.)

However, consumers are starting to place more trust in buying luxury goods online despite the increase in global counterfeit products that are spreading through online shopping platform. Hence, this research is intended to understand Generation Y’s perception of PT on online shopping of luxury goods.

### **2.1.11 Purchase Intention (PI)**

Purchase Intention refers to consumers’ plans in advance to purchase a good or service in the future, or the thoughts that cross through the consumers mind also signifies the intention to purchase (Marroitt and Williams, 2018; Shubin Yu et al, 2018).

According to Johnston, consumers will go through the process of recognizing the need to purchase a product, will then find information about the product, evaluate alternative, purchase intended product and conduct feedback. Therefore, consumers would purchase a product after a research in advance (Marroitt and Williams, 2018). Thus, consumer would be able to purchase the right product that meets consumers' needs and wants.

There are many choices of brand and luxury products in the market in order to meet consumers' needs and wants (Shubin Yu et al., 2018) as well as taste and preference. Thus, consumers' behavior on PI depends on how consumers perceive online sites for luxury products (Liew, 2015). Furthermore, consumers' purchase intention can also be influenced by past purchase experience and may also affect their purchase behaviour (Marroitt and Williams, 2018).

PI is considered a Dependent Variable. It requires several Independent Variables of external and internal factors to influence a consumer's purchase intention. Therefore, this research will examine the variables which are PU, PEOU, PR, Price and PT towards the PI of luxury products of Gen Y.

## **2.2 Conceptual Theoretical Framework**

Figure 2.2: Factors Affecting Online Shopping Intention towards Luxury Products among Generation Y in Malaysia.

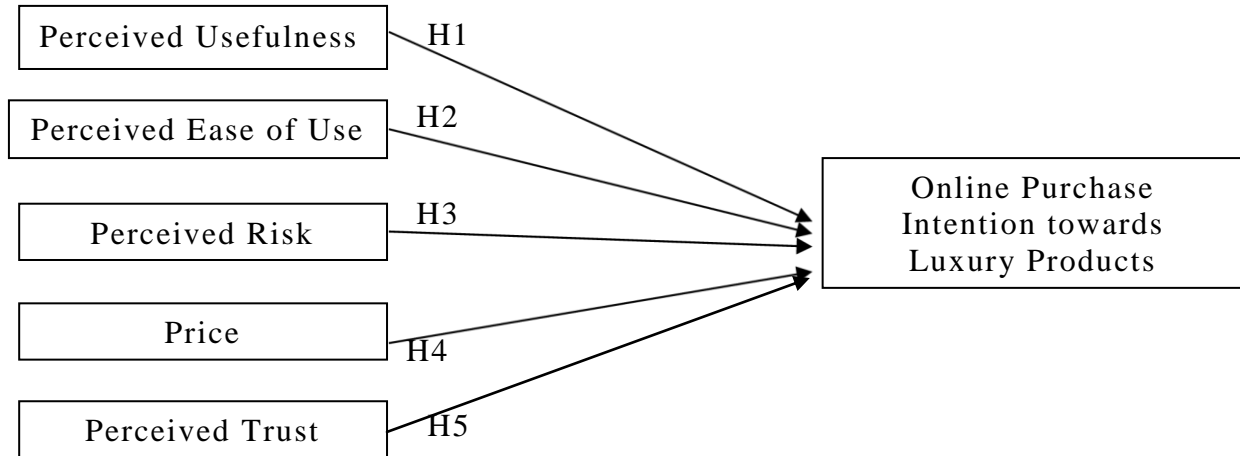


Figure 2.2 is the proposed framework that we have developed for our research project. In this research project, we are going to determine whether PU, PEOU, PR, Price and PT are affecting Generation Y’s Purchase Intention towards Luxury Products.

## **2.3 Hypotheses Development**

### **2.3.1 PU**

In the context of online shopping, PU is refers to the degree of which consumers believe in using an online platform to make purchase will improve their performance or productivity, thus enhance their shopping experience. Online shopping is convenient, and can be done at anytime and anywhere. Past study (Renny et al., 2012; Sohn, 2017; Yan and Wang, 2016) shown that the usefulness of an online shopping platform can influence consumers intention to purchase. Therefore, to analyze the association between PU and Generation Y’s Purchase Intention towards Luxury Products in Malaysia; the first propose hypothesis is:



H1: There is positive relationship between PU and Generation Y's Purchase Intention towards Luxury Products.

### **2.3.2 PEOU**

In the context of online shopping, PEOU is refers to the degree of which consumers relates ease of access to online shopping platforms to make purchase and ease of navigating an online shopping platform, thus enhance their shopping experience (Ashraf et al., 2014; Renny et al, 2012).

Past study of Kluge and Fassnacht(2015) shown that making luxury products accessible online increases the chance of consumers buying the products. As mention in the literature review, online shopping is convenient compared to physical retails, and can be done at anytime and anywhere. Therefore, to analyze the association between PEOU and Generation Y's Purchase Intention towards Luxury Products in Malaysia; the second hypothesis is:

H2: There is positive relationship between PEOU and Generation Y's Purchase Intention towards Luxury Products.

### **2.3.3 Perceived Risk**

PR is defined in this research as a consumer's perceptions of risk in purchase intention in purchasing luxury products. Past research of Marriott and William (2018) found that PR is subjective in nature and different consumers of an online platform have different perception of risk. Moreover, past study of Shubin Yu et al (2018) shown that online luxury consumers has a lower risk perception than in-store luxury

consumers. Therefore, to analyze the association between PR and Generation Y's Purchase Intention towards Luxury Products in Malaysia; the third hypothesis is:

H3: There is negative relationship between PR and Generation Y's Purchase Intention towards Luxury Products.

### **2.3.4 Price**

Pricing a product is one of the most important factors in marketing as it is a core selling point of a product. When it came to online shopping sites, consumers tend to compare prices of a product with different online shopping sites. Price promotions are common in online shopping sites, to draw customers to the website and encourage them to purchase certain products during a limit period of time. Past study of Bodur et al. (2015) has shown that high price sensitive consumers will seek lower priced products as compare to less price sensitive consumers. Therefore, to analyze the association between Price and Generation Y's Purchase Intention towards Luxury Products in Malaysia; the fourth hypothesis is:

H4: There is positive relationship between Price and Generation Y's Purchase Intention towards Luxury Products.

### **2.3.5 Perceived Trust**

Online shopping platform is a virtual environment; the degree of uncertainty in conducting transactions is higher than a face-to-face transaction (Marroitt and Williams, 2018), thus trust becomes an important factor. The lack of trust of online shopping is one of the main reasons consumers do not engage in much commercial transactions online. Therefore, consumers' PT towards online shopping sites is

important determinant in influencing their intention to conduct online purchases. The following hypothesis is:

H5: There is significant positive relationship between Trust and Generation Y's Purchase Intention towards Luxury Products.

## **2.4 Conclusion**

This chapter discusses the background of the study with each of the variables derived from relevant and past researches' discussion. The proposed conceptual framework is adopted from TAM model to conduct this research. Lastly, the definition of variables and hypotheses development is also included.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

This chapter outlines the research methodologies applied to gather required data for this research. The applied procedures are research design, data collection methods, sampling design, research instrument, construct measurements, data processing, descriptive analysis and data analysis. The target population will be selected and justification of sufficient sampling size adopted in this study will be discussed.

### **3.1 Research Design**

The function of a research design is to help researchers to obtain evidences to effectively address the research problem systematically, logically and as unambiguously as possible (Blumberg, Cooper and Schindler, 2011). Research design is a work plan with detail checklist to conduct the study of the factors affecting online shopping intention towards luxury products among Generation Y in Malaysia.

There are two distinct methods to conduct a research study; qualitative and quantitative research (Blumberg et al., 2011, p144). For this research, researchers opt to utilize quantitative research.

Quantitative research relies on quantitative information such as numbers and figures enabling researchers to quantify the problem by generating numerical data that can be transformed into useable statistics (Blumberg et al 2011, p145). In other words, to quantify attitudes, behaviours, opinions, perspective and other defined variables from a large sample population to measure data and formulize facts and patterns in research (Blumberg et al. 2011, p145).

Quantitative data collection methods include various forms of surveys, interviews, online polls, etc.

## **3.2 Data Collection Methods**

Data collection is a process of collecting information from relevant sources to answer a research problem, test hypothesis and evaluate the outcomes. There are two types of data collection methods; primary and secondary data collection method. Primary data collection methods will be used for this study.

### **3.2.1 Primary Data**

Primary data is divided into two types; qualitative and quantitative data. A quantitative data collection method is data that is collected by researchers via forms of surveys, interviews, online polls, etc. The data collections are from questionnaires with closed-ended questions to generate numerical data to establish correlation, regression, mean, mode, and median (Blumberg et al., 2011, p145). Moreover, it is cheaper and less time consuming compared to qualitative data collection methods.

## **3.3 Sampling Design**

### **3.3.1 Target Population**

Target population is an entire group of people which the researchers wishes to utilize to generalize research findings (Blumberg et al. 2011, p175; Sekaran and Bougie, 2016, p). This study aims to investigate the factors affecting online shopping intention towards luxury products

among Generation Y in Malaysia. Therefore, this study will only focus on the target population of generation Y who resides in Malaysia. There would be no restrictions on the respondents' gender and ethnic.

### **3.3.2 Sampling Frame and Sampling Location**

Sampling frame refers to the elements in the population from which the sample will be drawn from (Sekaran and Bougie, 2016, p240). Sampling location refers to where target respondents can be found (Blumberg et al 2011, p177). The survey instrument for this study will be distributed to respondents throughout Malaysia via hand-to-hand flyers to Google Doc. Therefore, the sampling frame would be Gen Y who resides in Malaysia and the sampling location is within Malaysia.

### **3.3.3 Sampling Elements**

This study aims to investigate the factors affecting online shopping intention towards luxury products among Generation Y in Malaysia. Therefore, this research will be conducted in Malaysia through hand-to-hand flyers to Google Doc. The target respondents are Gen Y online shoppers.

### **3.3.4 Sampling Technique**

There are two types of sampling technique that are used in research studies; probability sampling and non-probability sampling (Blumberg et al., 2011). Probability sampling is where the subject of the population gets an equal opportunity to be selected as a representative sample (Blumberg et al., 2011, p174). Non-probability sampling is where it is

not know that which individual from the population will be selected as a sample (Blumberg et al., 2011, p174).

For this research, non-probability sampling technique will be used as it has the advantage of being practical and more flexible. Under non-probability sampling technique, quota sampling will be used as subjects selected as representative for respond sample must fulfil the criteria of being Gen Y who are online shoppers.

### **3.3.5 Sampling Size**

Sampling size is a representative sample to generalize the result of the target population. Determining the sample size is depend on the research objective, desired precision, and the time and cost constraints itself (Blumberg et al., 2011). In some cases a sample of only 40 is needed; while in others for an accurate statistical finding a sample of 400 may sometimes be appropriate (Blumberg et al 2011, p178). Due to time and cost constraint, this research aims to target 200 respondents as the sampling size.

## **3.4 Research Instrument**

The questionnaire was established with the research from literature review and the objective to study the correlation of PU, PEOU, PR, Price and PT affecting online shopping intention towards luxury products among Generation Y in Malaysia. Consequently, the questionnaire was handed out to respondents through social media and online methods. According to Regmi, Waithaka, Paudyal, Simkhada and Van Teijlingen (2017), online survey approach provides convenience in several ways, for example, a) respondent can answer at a convenient time; b) respondent can take as much time as they need to response; c) respondent can complete survey in multiple sessions. Additionally, online

surveys increase response rates by reaching target audience fast, enable researcher to conduct market research at a fraction of the usual cost and get real-time results for quick and easy analysis ("10 Advantages of Online Surveys | SmartSurvey", 2018.).

Thus, self-administered survey is selected as the survey instrument particularly for this research. A self-administered questionnaire (SAQ) has been designed specifically to be completed by a respondent without intervention of the researchers (e.g. an interviewer) collecting the data (Lavrakas, 2008).

### **3.4.1 The Purpose of Using Questionnaire**

Questionnaire is a list of a research or survey questions designed to extract specific information from respondents ("How has this term impacted your life?", 2018). It serves four basic purposes: collect the appropriate data, make data comparable and amenable to analysis, minimize bias in formulating and asking question, and to make questions engaging and varied.(Tripathy&Tripathy, 2015) The advantage of using questionnaires is that a large number of people can be reached relatively easily and economically, and information gain is only as good as the question asked (Liew, 2015).

### **3.4.2 Questionnaire Design**

A structured questionnaire was utilized and the survey was prepared by using Google Form. The link or QR code to the survey on Google Form was distributed to the respondents through by flyers, Facebook and WhatsApp. The respondents were given options to pick an appropriate scale point provided in the survey instrument. The survey instrument which is the questionnaire is divided into two main sections as stated in Appendix A.



Section A includes general questions to capture respondent's demographic data such as gender, age, race, marital status, education level, occupation and monthly income and relations to the dependant variable which is Generation Y's online shopping purchase intention towards luxury products, consumer's purchasing experience and the type of online shopping channels used. They also needed to answer structured questions such as multiple-choice, scales and dichotomous under this section.

In Section B, the questions are made to collect respondent's opinion regarding factors affecting online shopping intention toward luxury products among Generation Y in Malaysia. It consisted of questions associated with measurement of the independent variables such as PU, PEOU, PR, Price and PT.

### **3.4.3 Pilot Study**

Pilot tests are defined as "dress rehearsals" of full survey operations that are implemented to determine whether problems exist that need to be addressed prior to putting the production survey in the field (Lavrakas, 2008). The benefit of conducting pilot study prior the main research, is to identifying errors in the survey instrument, validating research protocols and proposed methods, and examining the survey instruments (Baker, 1994).

Since conducting an adequately research study often requires a large number of participants thus costly in terms of time and money, piloting a study on a smaller scale can help to identify unforeseen problems that could compromise the quality or flow of the study (Viechtbauer, Smits, Kotz, Budé, Spigt, Serroyen&Crutzen, 2015). Approximately 10% to 20% of the main study's sample size is considered a reasonable number

of respondents to enrol in the pilot study (Liew, 2015). Thus, 20% out of 200 respondents was established as this study's sample size.

The researchers will gain feedbacks from the respondents to identify and minimize errors in the survey instrument and also improve the current survey instrument. Questionnaire will proceed to be handed out to respondents if there is no error detected at the stage of pilot test.

### **3.5 Construct Measurement**

#### **3.5.1 Origin of Construct**

All of the questions used in this research are adopted from previous research studies.

Table 3.1: PU Construct and Measurement Items

| <b>Construct</b>                       | <b>Sample Measurement Items</b>  | <b>Sources</b> |
|--|--|----------------|
| <b>Perceived Usefulness</b><br>4 items | 1. Online shopping allows me to enhance my luxury purchasing effectiveness.                      | Liew (2015)    |
|  | 2. Online shopping is a convenient way to shop for luxury products.                              |                |
|  | 3. Online shopping makes shopping less time consuming to purchase luxury products.               |                |
|  | 4. Online shopping features are useful in helping me in my purchase decision of luxury products. |                |

Table 3.1 above indicates the items for the construct of Perceived Usefulness. There are in total four items used to measure these attitudes such as (1) Online shopping allows me to enhance my luxury purchasing effectiveness, (2) Online shopping is a convenient way to shop for luxury products, (3) Online shopping makes shopping less time consuming to purchase luxury products, (4) Online shopping features are useful in

helping me in my purchase decision of luxury products. The three items are adopted and modified from Liew (2015).

Table 3.2: PEOU Construct and Measurement Items

| <b>Construct</b>                            | <b>Sample Measurement Items</b>  | <b>Sources</b>      |
|---|--|---------------------|
| <b>Perceived Ease of Use</b><br><br>3 items | 1. Online shopping sites provide useful features in helping me to make purchase decision of luxury products. | Lim and Ting (2014) |
|   | 2. Online shopping sites are easy to navigate for luxury purchase.   |                     |
|   | 3. Online shopping sites transactions are hassle free when conducting luxury purchase.                       | Liew (2015)         |

Table 3.2 above indicates the items for the construct of Perceived Ease of Use. There are in total three items used to measure these attitudes such as (1) Online shopping sites provide useful features in helping me to make purchase decision of luxury products, (2) Online shopping sites are easy to navigate for luxury purchase, (3) Online shopping sites transactions are hassle free when conducting luxury purchase. The three items are adopted and modified from Lim and Ting (2014) and Liew (2015).

Table 3.3: PR Construct and Measurement Items

| <b>Construct</b>                     | <b>Sample Measurement Items</b>  | <b>Sources</b>                |
|--------------------------------------|--|-------------------------------|
| <b>Perceived Risk</b><br><br>5 items | 1. I believe that luxury purchases from online shopping are risky because the products delivered may fail to meet my expectations.     | Yu, Hudders&Ca uberghe (2018) |
|                                      | 2. I believe that luxury purchases from online shopping are risky because the products delivered may be inferior.                      |                               |
|                                      | 3. I believe that luxury purchases from online shopping are risky because these purchases may cause others to think less highly of me. |                               |
|                                      | 4. I believe that luxury purchases from online shopping are risky because these purchases may lead to a time loss for me.              |                               |

Table 3.3 above indicates the items for the construct of Perceived Risk. There are four items used to measure these attitudes such as (1) I believe that luxury purchases from online shopping are risky because the products delivered may fail to meet my expectations, (2) I believe that luxury purchases from online shopping are risky because the products delivered may be inferior, (3) I believe that luxury purchases from online shopping are risky because these purchases may cause others to think less highly of me, (4) I believe that luxury purchases from online shopping are risky because these purchases may lead to a time loss for me. The four items are adopted and modified from Yu, Hudders&Cauberghe (2018).

Table 3.4: Price Construct and Measurement Items

| <b>Construct</b>        | <b>Sample Measurement Items</b>  | <b>Sources</b>                  |
|-------------------------|--|---------------------------------|
| <b>Price</b><br>6 items | 1. Price is the most important factor in making any online luxury purchase.                    | Cheng, Wee, Leow and Yeo (2014) |
|                         | 2. I compare prices of other online shopping sites before I purchase luxury products.          |                                 |
|                         | 3. I purchase luxury products because the price is appropriate.                                |                                 |
|                         | 4. My purchase intention will increase when online shopping sites is having promotion.         |                                 |
|                         | 5. I will switch to other online shopping sites if it is providing promotion and discount.     |                                 |
|                         | 6. I will purchase online luxury products if the price is the lowest compare to other retails. |                                 |

Table 3.4 above indicates the items for the construct of Price. There are five items used to measure these attitudes such as (1) Price is the most important factor in making any online purchase, (2) I compare prices of other online shopping sites before I purchase, (3) I purchase products because the price is appropriate, (4) My purchase intention will increase when online shopping sites is having promotion, (5) I will switch to other online shopping sites if it is providing promotion and discount, (6) I will purchase online products if the price is the lowest compare to other

retails. The six items are adopted and modified from Cheng, Wee, Leow and Yeo (2014).

Table 3.5: PT Construct and Measurement Items

| <b>Construct</b>                      | <b>Sample Measurement Items</b>   | <b>Sources</b> |
|---------------------------------------|---|----------------|
| <b>Perceived Trust</b><br><br>4 items | 1. Online shopping platform is general reliable for luxury purchase.    | Liew (2015)    |
|                                       | 2. Online shopping platform is general honest for luxury purchase.      |                |
|                                       | 3. Online shopping platform is general trustworthy for luxury purchase. |                |
|                                       | 4. Online shopping platform is general secure for luxury purchase.      |                |

Table 3.5 above indicates the items for the construct of Perceived Trust. There are four items to measure these attitudes such as (1) Online shopping platform is general reliable for luxury purchase, (2) Online shopping platform is general honest for luxury purchase, (3) Online shopping platform is general trustworthy for luxury purchase, (4) Online shopping platform is general secure for luxury purchase. The four items are adopted and modified from Liew (2015).

Table 3.6: Purchase Intention Construct and Measurement Items

| <b>Construct</b>                          | <b>Sample Measurement Items</b>   | <b>Sources</b>                  |
|---|---|---------------------------------|
| <b>Purchase Intention</b><br><br>11 items | 1. It is very likely that I will purchase online luxury products.           | Cheng, Wee, Leow and Yeo (2014) |
|   | 2. Purchasing online luxury products is something I would do.               |                                 |
|   | 3. I plan to purchase online luxury products in near future.                |                                 |
|   | 4. I intend to purchase online luxury products in the next month.           |                                 |
|   | 5. I am willing revisit online shopping sites.                              |                                 |
|   | 6. I intend to make future luxury purchases from online shopping platforms. |                                 |
|   | 7. I intend to regularly use online shopping                                |                                 |

|     |  |  |
|-----|--|--|
|     | platforms to make purchase.                                      |  |
| 8.  | I intend to continue using online shopping platforms.            |  |
| 9.  | I intend to recommend online shopping platforms to others.       |  |
| 10. | I intend to increase using online shopping platforms.            |  |
| 11. | I would consider browse online shopping platforms in the future. |  |

Table 3.6 above indicates the items for the construct of Price. There are five items used to measure these attitudes such as (1) It is very likely that I will purchase online luxury products, (2) Purchasing online luxury products is something I would do, (3) I plan to purchase online luxury products in near future, (4) I intend to purchase online luxury products in the next month, (5) I am willing revisit online shopping sites, (6) I intend to make future luxury purchases from online shopping platforms, (7) I intend to regularly use online shopping platforms to make purchase, (8) I intend to continue using online shopping platforms, (9) I intend to recommend online shopping platforms to others, (10) I intend to increase using online shopping platforms, (11) I would consider browse online shopping platforms in the future. All of the eleven items are adopted and modified from Cheng et al., (2014).

### **3.5.2 Measurement of Scale**

The research instrument in this research consisted of two sections: Section A, and B. In Section A, the survey was developed by using nominal scale and also interval scale in order to gather respondent's information. In order to analyse the luxury products purchasing pattern of respondents through online shopping sites, normal scale is applied.

In Section B part of the questionnaire, interval scale is mainly employed in order to draw the respondent's general opinion regarding the variables of the study which include PU, PEOU, PR, Price and PT. The variables

are measured by using FIVE-point Likert scale ranging from 1 to 5 in which 1 indicates Strongly Disagree and 5 indicates Strongly Agree. The purpose of the scale is to measure people's attitude by asking them to rate a series of statements that are relevant to an issue in which people are agree with (Yong, Chai, Chiang & Tee, 2014). According to Joshi, Kale, Chandel, and Pal (2015), the 5 point scale provides substantial options to measure the probability of meeting the objective reality of people thus appeals practically to the "faculty of reason" of the participants.

Table 3.7: Summary of Likert Scale used to Measure Variables

| <b>Variables</b>   | <b>Likert Scale</b>   |
|--|---|
| <u>Dependant Variable:</u><br>Online shopping intention towards luxury products among Generation Y in Malaysia | 1 = Strongly Disagree<br>2 = Disagree<br>3 = Neutral<br>4 = Agree<br>5 = Strongly Agree |
| <u>Independent Variable:</u><br>PU, PEOU, PR, Price and PT   |   |

### **3.6 Data Processing**

Data processing is the conversion of data into a format that will answer the questions after the fieldwork has been completed and where the information content will be mined from the raw data (Zikmund, et al., 2013). Data processing is known to involve questionnaire checking, editing, coding, transcribing and data cleaning. (Yonget al., 2014)

### **3.6.1 Questionnaire Checking**

According to Liew (2015), it is important to re-check the questionnaire to ensure it is technically complete and interview quality during the fieldwork. A pilot test had been conducted with the purpose of detecting any initial stage's error found in the questionnaire.

A pilot test is conducted before the main study to allow the researcher to try out the study with a few participants so that adjustments can be made (McLeod, 2018). McLeod (2018) included a few important reasons for conducting pilot study such as: to check that respondents understand the terminology used, to check for emotive questions as they make people defensive and could invalidate their answers, to check for leading questions as they could bias the respondent's answer, and to ensure the questionnaire can be completed in an appropriate time frame.

### **3.6.2 Data Editing and Fixing**

The initial stage of editing is to examine the collected raw data to ensure that it is accurate and the completed questionnaire is checked for overall accuracy, completeness and general usability (*Data Preparation, 2018.*). Furthermore, fixing errors after the survey form were returned from respondents that are caused by human carelessness (Liew, 2015) are removed. Additionally, unsatisfied answers will be discarding if there is a possibility to harm the overall result which also helps to filter the ambiguous and inaccurate data from respondents.

### **3.6.3 Data Coding**

Coding is a process of identifying a passage in the text or other data items (photograph, image), searching and identifying concepts and



finding relations between them (“Qualitative coding”, 2018.). The coding process consists of interpreting, categorizing, recording, and transferring the data to the data storage media (Liew, 2015).

#### **3.6.4 Data Transcribing**

Transcribing data means transmitting the coded data from questionnaire onto disks or save it into a computer by key-punching (Malhotra & Peterson, 2009). After the data has been scanned by optical scanning, it will sent by computer memory and turns into the transcribed data (Cheng et al., 2014). Therefore, the software used for transcribing raw data obtained from the questionnaire is Statistical Project of Social Science (SPSS) software.

#### **3.6.5 Data Cleaning**

Data cleaning is a process involved in preparing data for analysis in which it is also a subset of *data preparation*, which also includes scoring tests, matching data files, selecting cases, and other tasks that are required to prepare data for analysis (Salkind, 2010). Meanwhile, it also involves handling missing data and examining data for illogical or inconsistent entries (Bajpai, 2011, p.198). Missing data happen when the respondent has not provided any answer or has provided a vague answer or even when a typist fails to type it (Liew, 2015). With the help of SPSS software, the checking of data for any inconsistent entry can easily be detected.

## **3.7 Data Analysis**

Statistical Package for the Social Science (SPSS) is used in this study for statistical analysis of data due to its ability to process, summarize and analyze raw data collected from surveyed despondences. Moreover, the data analysis conducted would produce information to help researchers to address the research study and its hypotheses.

### **3.7.1 Descriptive Analysis**

Descriptive analysis describes the basic features of data of a study by providing summaries about the sample and finds patterns. It is used to present quantitative descriptions in a manageable form. According to Sekaran and Bougie (2016), the commonly used descriptive statistics are: measures of central tendency (Mean, Median, and Mode), and statistical dispersion (Range, Standard Deviation, and Coefficient of Variation). Additionally, frequency distribution is used to value the various sub-categories of a particular variable occurs in the form of percentage and cumulative percentage (Sekaran and Bougie, 2016).

The respondents answers are collected from Section A and B to analyze and establish precise statistical information. Frequency analysis and percentage calculation were used to evaluate the raw data collection from Section A. The measures of central tendency and statistical dispersion analysis are used to evaluate the raw data collection from Section B.

### **3.7.2 Reliability Test**

Reliability test is conducted to prove that measurement used will generate similar results in repeated administration (Sekaran and Bougie, 2016). There two conditions that the research instrument must meet:

consistency and stability in the measures of concept. The most common tool used to measure the reliability scale in SPSS is Cronbach's Alpha (George and Mallery, 2003). The reliability coefficient varies from 0 to 1. A value of 0.6 or less indicates unsatisfactory in the internal consistency and the value higher than 0.6 indicates a more consistent and reliable results (George and Mallery, 2003).

Table 3.8: Rules of Thumb of Cronbach's Alpha

| Alpha Coefficient Range | Strength of Association |
|-------------------------|-------------------------|
| $\alpha < 0.5$          | Unacceptable            |
| $0.5 \leq \alpha < 0.6$ | Poor                    |
| $0.6 \leq \alpha < 0.7$ | Moderate                |
| $0.7 \leq \alpha < 0.8$ | Good                    |
| $0.8 \leq \alpha < 0.9$ | Very Good               |
| $\alpha > 0.9$          | Excellent               |

Source: George &Mallery (2003). SPSS for Windows Step by Step.

### **3.7.3 Inferential Analysis**

Inferential analysis is the data taken from a population to describe and make inferences about the population sample (George and Mallery, 2003). It is used when the examination of each member of an entire population is not convenient or possible. Additionally, it allows for the testing of hypothesis and draw conclusions about a population based on the sampling size (George and Mallery, 2003). In this study, SPSS was used to conduct Pearson's Correlation Coefficient Analysis and Multiple Regression Analysis.

### **3.7.3.1 Pearson's Correlation Coefficient Analysis**

Pearson's correlation coefficient analysis is a statistical test that measures the linear relationship between two continuous variables. It also analyzes the null hypotheses in the form of two-tailed significant level test. The Pearson's correlation results would be within the range of -1.0 to +1.0 (Saunders, Lewis, and Thornhill, 2012). A value near +1.0 indicates that there is a perfect positive linear relationship, on another hand a value near -1.0 indicates there a perfect negative linear relationship and 0 means that there is no linear relationship between two variables (Saunders et al, 2012).

### **3.8.3.2 Multiple Regression Analysis**

Multiple regression analysis is used to measure the impact of more than one independent variable towards the dependent variable (George and Mallery, 2003). The equation of multiple regressions is  $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \dots + \beta_nX_n + \varepsilon$ .

Whereby:

Y : the dependent variable

$\alpha$  : constant

$\beta$  : coefficient associated with the independent variables

X : independent variables

### **3.9 Conclusion**

This chapter discussed the various research methodologies used gather data and analyze it. The target respondents were online shoppers of Gen Y in Malaysia. Survey questions were distributed via hand-to-hand survey to Google Doc. Lastly, SPSS was used in this study for statistical analysis of data. Next chapter will focus on the statistical analysis results.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

Chapter Four provides analysis and findings collected from online questionnaire created in Google form. A pre-test survey was conducted to ensure feasibility of the research instrument used. SPSS will be used to analyse the data collected. The assessment was set about evaluating descriptive analysis, reliability test and lastly inferential analysis. Discussion of the results and testing of hypotheses was carried out to concluded.

### **4.1 Pilot Study**

The pilot study was conducted back in February 2019. A set of 40 questionnaires (20% out of 200 respondents) were distributed via WhatsApp, QR code and Facebook. The pre-test result (see Appendix B) shows all the variability of the variables tested. Thus, a question of PEOU and four questions from Purchase Intention were removed from the questionnaire.

### **4.2 Data Collection**

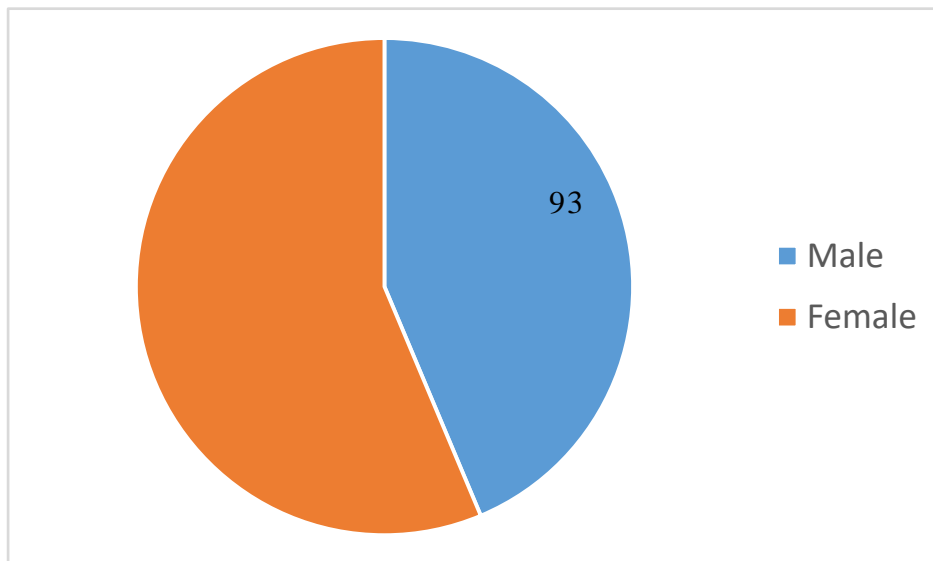
The researchers has distributed 200 set of questionnaires to eligible participants aged between 21 to 40 years old via online hyperlink, WhatsApp, Facebook and QR code to a web-based survey on Google form. The researchers also distributed the QR code using printed flyer by hand. The distribution of the survey took place early month of March 2019 and ended mid-March 2019. The total respondents gathered for this research was 213.

## **4.3 Descriptive Analysis**

### **4.3.1 Demographic Profile of Respondents**

#### **4.3.1.1 Gender**

Figure 4.1: Gender Distribution of Respondents



**Source: Developed for the study**

Figure 4.1 pie chart shows the gender distribution of the respondents for the questionnaire survey are 93 male respondents (43.7%) and 120 female respondents (56.3%).

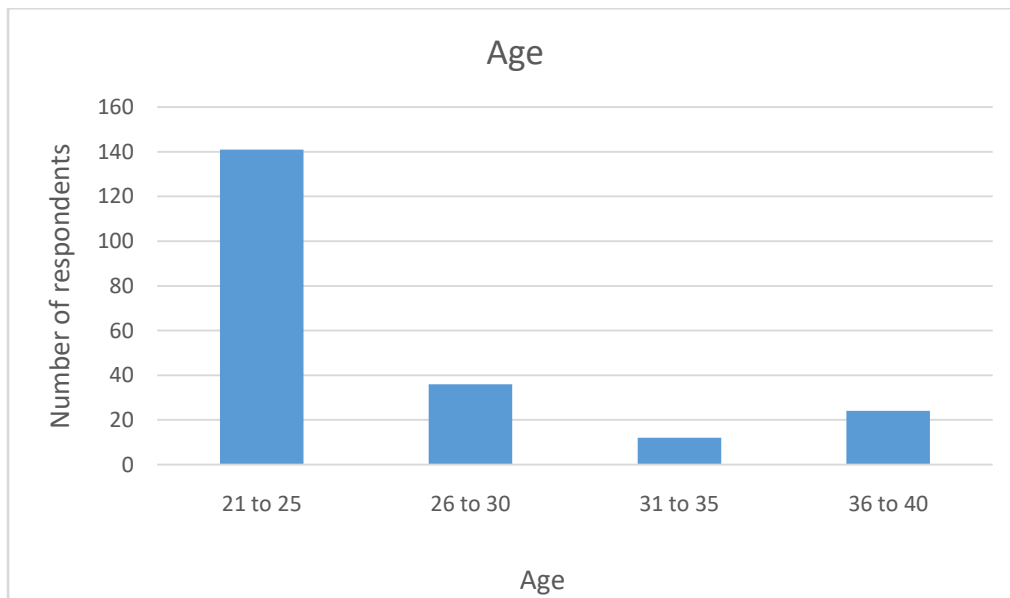
**4.3.1.2 Age**

Table 4.1: Age Distribution of Respondents

| Age                | Frequency | Cumulative Frequency | Percentage (%) |
|--------------------|-----------|----------------------|----------------|
| 21 to 25 years old | 141       | 141                  | 66.2           |
| 26 to 30 years old | 36        | 177                  | 16.9           |
| 31 to 35 years old | 12        | 189                  | 5.6            |
| 36 to 40 years old | 24        | 213                  | 11.3           |

Source: Developed for the study

Figure 4.2: Age Distribution of Respondents



Source: Developed for the study



Table 4.1 above represents the number of respondents for the age group of 21 to 25 years old is 141, 36 respondents age between 26 to 30 years old, 12 respondents age between 31 to 35 years old and 24 respondents age between 36 to 40 years old. The age group of 21 to 25 years old has the most number of respondents which amounted to 66.2% while the age group with the least number of respondents is age group 31 to 35 years old which amounted to 5.6%.

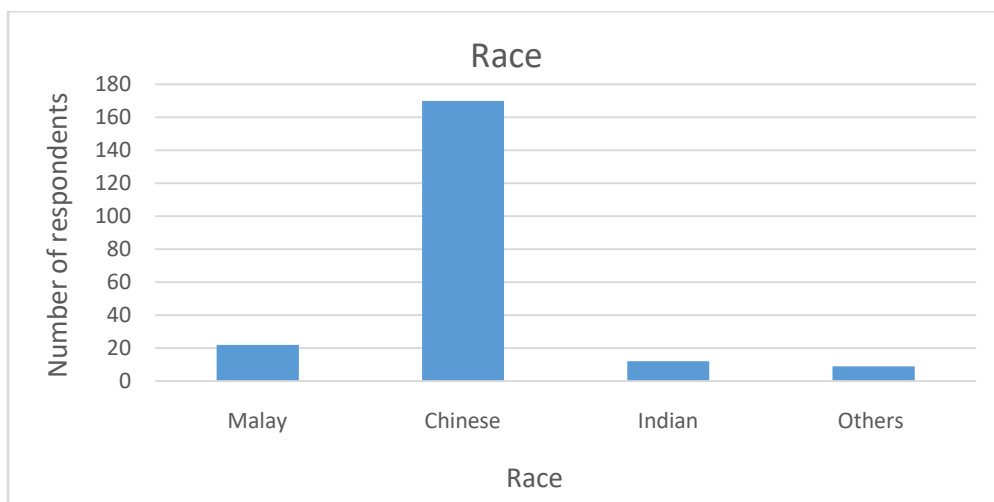
#### 4.3.1.3 Race

Table 4.2: Race Distribution of Respondents

| Race    | Frequency | Cumulative Frequency | Percentage (%) |
|---------|-----------|----------------------|----------------|
| Malay   | 22        | 22                   | 10.3           |
| Chinese | 170       | 192                  | 79.8           |
| Indian  | 12        | 204                  | 5.6            |
| Others  | 9         | 213                  | 4.2            |

Source: Developed for the study

Figure 4.3: Race Distribution of Respondents

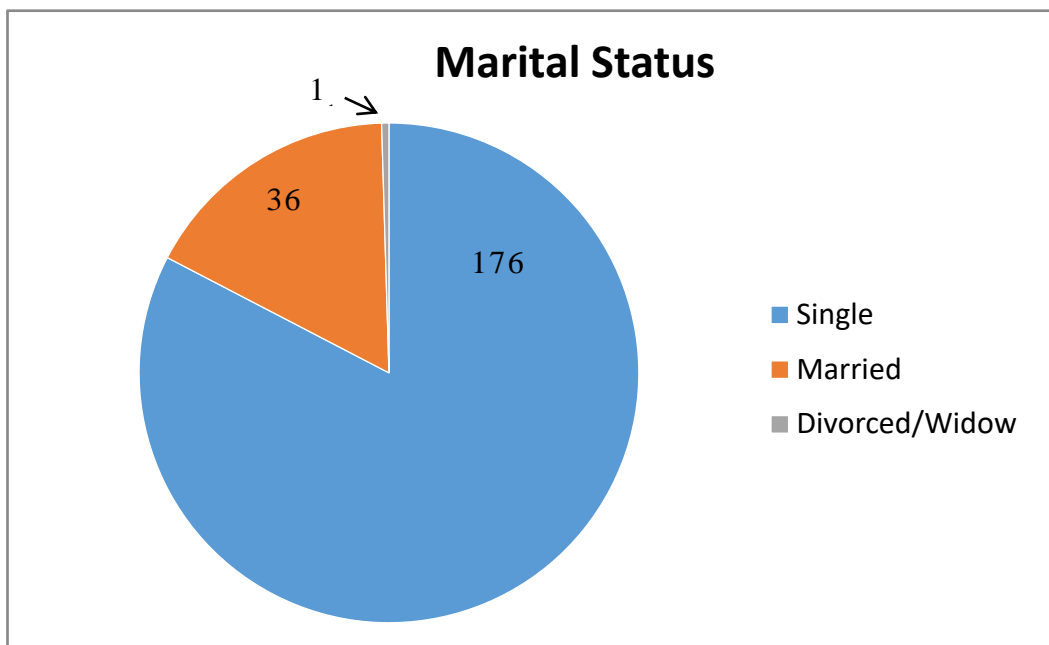


Source: Developed for the study

Table 4.2 indicates that the number of Malay respondents is 22, 170 Chinese respondents, 12 Indian respondents and 9 respondents from other race groups. These other race groups consisted of Eurasean, Japanese, Kadazan, Kenyah, Korean, Portuguese and also Rungus race groups. The race group that has the most respondents in this survey is Chinese which amounted to 10.3% while the least number of respondents is under the category of other race groups with 4.2%.

#### **4.3.1.4 Marital Status**

Figure 4.4: Marital Status of Respondents

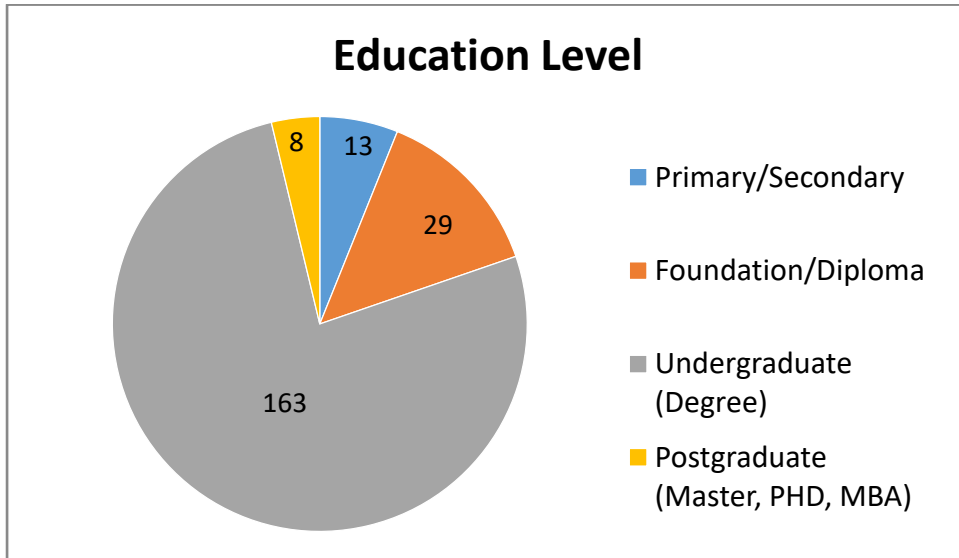


Source: Developed for the study

Figure 4.4 shows 176 of the total respondents are single, 36 respondents that are married and 1 respondent is divorced or widow. The percentage of respondents that are single is 82.6%, 16.9% of the respondents are married and 0.5% divorced or widow respondent of the survey.

#### 4.3.1.4 Education

Figure 4.5: Education Level of Respondents

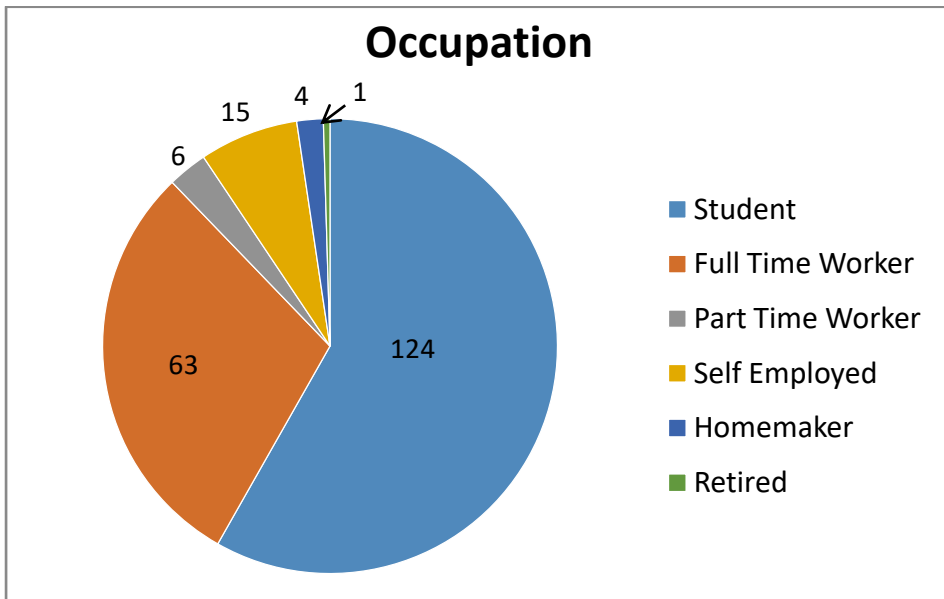


Source: Developed for the study

Figure 4.5 above shows Primary or Secondary education level is 13 respondents, 29 respondents with Foundation or Diploma education level, 163 respondents with Undergraduate (Degree) education level, and 8 respondents with Postgraduate education level such as Master, PhD and MBA. The group of Undergraduate (Degree) respondents contributed the most to the survey with a total of 6.1% and respondents with Postgraduate education level contributed the least with only 3.8%.

#### 4.3.1.5 Occupation

Figure 4.6: Occupation of Respondents

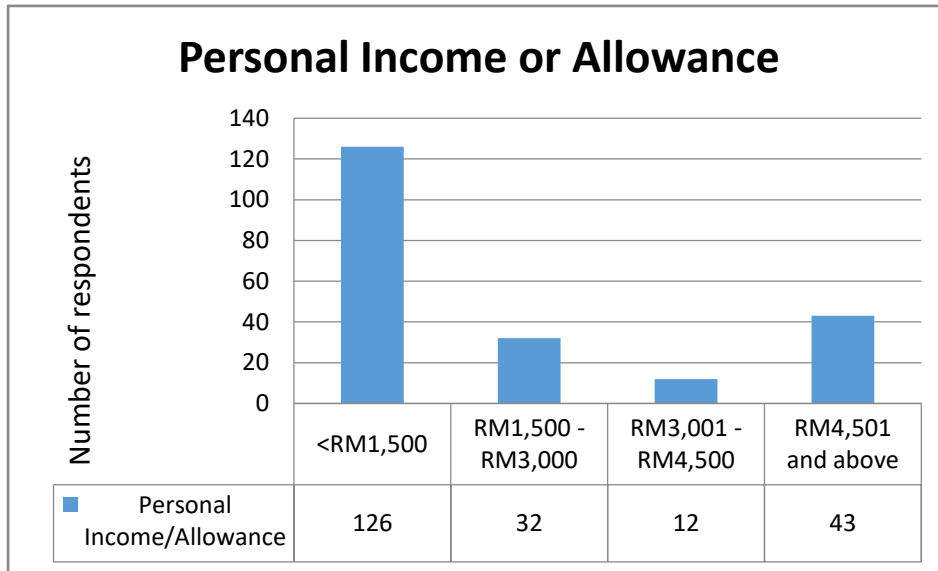


Source: Developed for the study

Figure 4.6 indicates the occupation of the respondents, a total of 124 students, 63 full time workers, 6 part time workers, 15 self-employed, 4 homemakers and 1 retiree that contributed to the survey. The occupation group which has the highest number of respondents is students with 58.2% and the occupation group with the least respondents is retirees with only 0.5%.

#### 4.3.1.6 Personal Income or Allowance

Figure 4.7: Personal Income or Allowance of Respondents



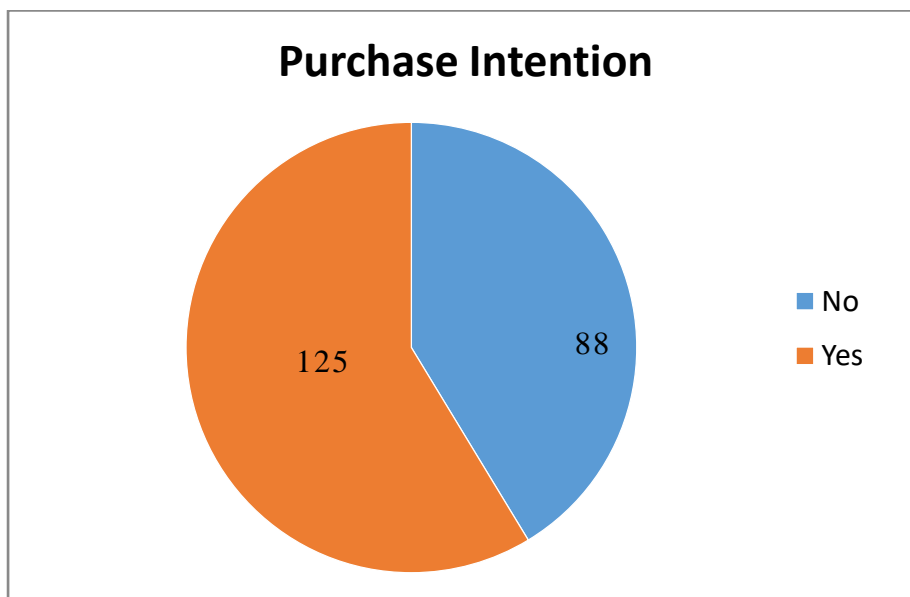
Source: Developed for the study

Figure 4.7 indicates the respondents' personal income or allowance, 126 respondents earning less than RM1,500, 32 respondents earning between the range of RM1,500 to RM3,000, 12 respondents earning between the range of RM3,001 to RM4,500 and 43 respondents earning between the range of RM4,501 and above. The number of respondents earning less than RM1,500 as their personal income or allowance is the highest at 59.2% and the number of respondents earning between the range of RM3,001 to RM4,500 is the lowest at 5.6%.

## **4.4 Luxury Products**

### **4.4.1 Purchase Intention of Luxury Products**

Figure 4.8: Respondents' Purchase Intention of Luxury Products

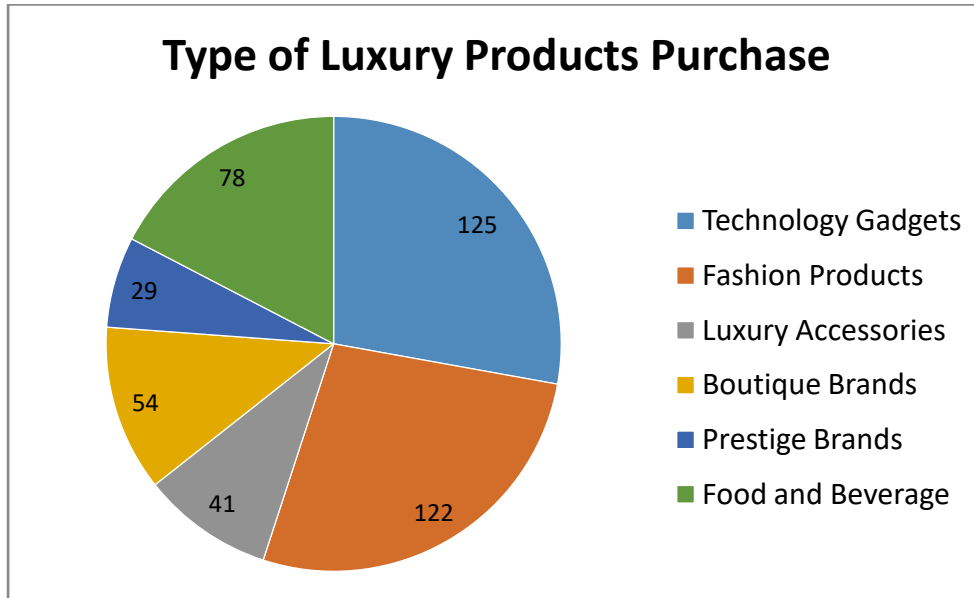


Source: Developed for the study

Figure 4.8 shows 88 respondents responded 'No' while 125 respondents responded with 'Yes' to their purchase intention of luxury products online.

#### 4.4.2 Type of Luxury Products Purchased

Figure 4.9: Type of Luxury Products Purchased

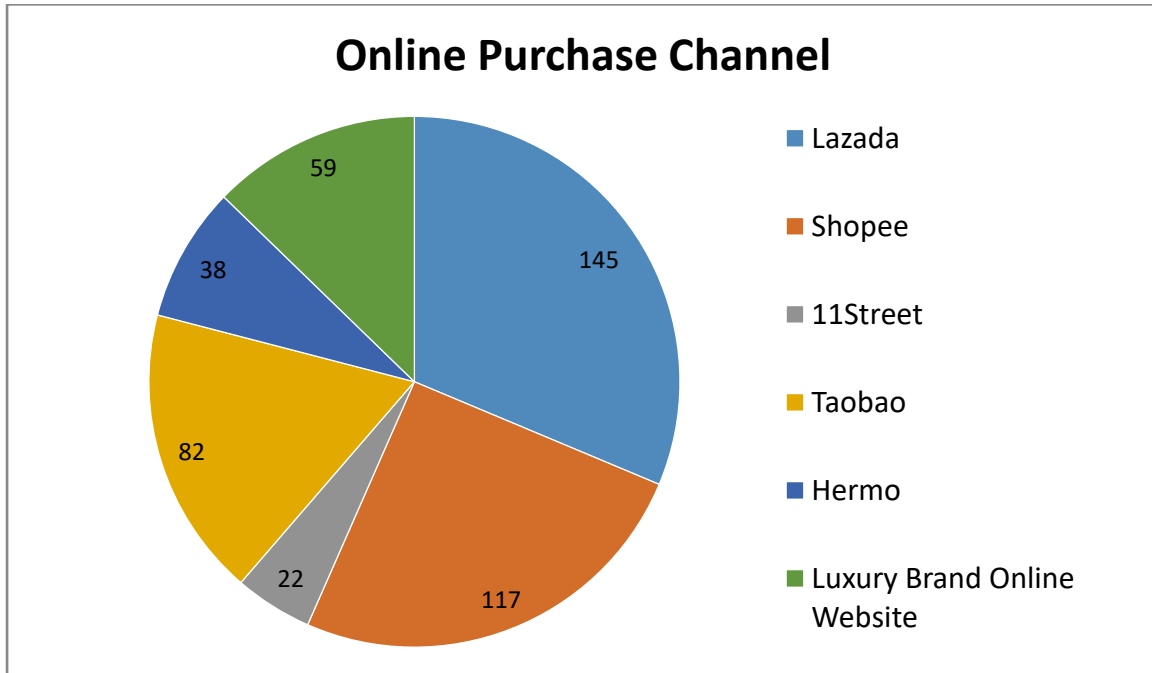


Source: Developed for the study

Figure 4.9 indicates the type of luxury products purchased online. 125 respondents purchase Technology gadgets, 122 purchase Fashion products, 41 purchase Luxury accessories, 54 purchase Boutique brands, 29 purchase Prestige brands and 78 purchase Food and Beverage. Technology gadgets is most preferred online with 27.8% and the least preferred type of luxury products purchased online is Prestige brands with 6.5%. Other types of luxury products that are also purchased online by the respondents are plant, pet products, Auto accessories, clothes, cooking appliances, skin cleaning product, craft items, skin care and also cosmetic which made up the rest 0.5% of the respondents.

### 4.4.3 Online Purchase Channel

Figure 4.10: Online Purchase Channel



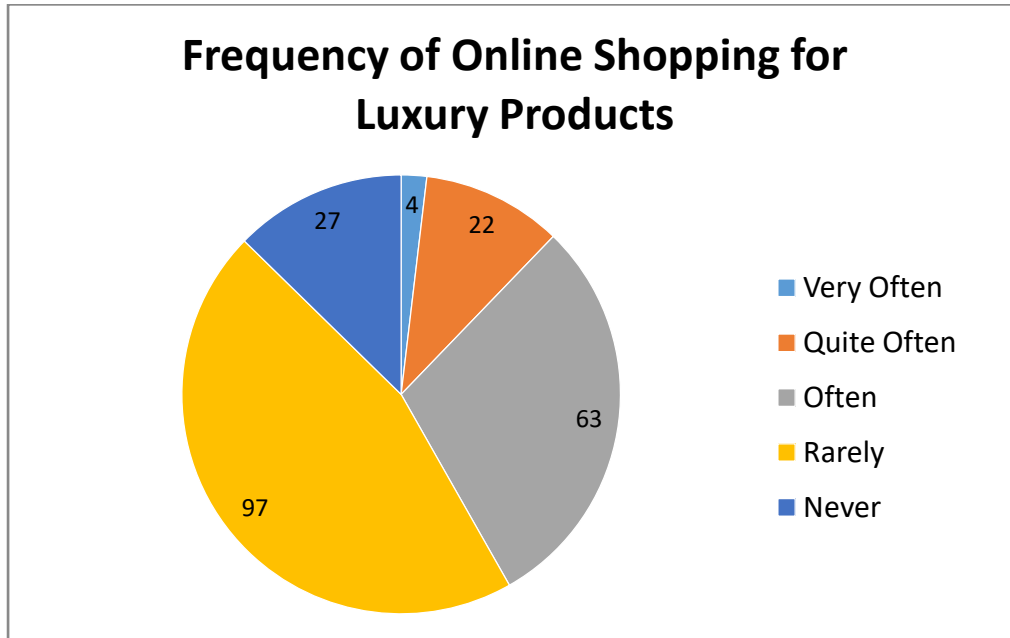
Source: Developed for the study

Figure 4.10 indicates the online purchase channel utilized by the respondents, 145 purchased from Lazada, 117 purchased from Shopee, 22 purchased from 11Street, 82 purchased from Taobao, 38 purchased from Herno and 59 purchased from Luxury Brand's Online Shopping Website. Most respondents preferred Lazada with a total of 31.3% and the least preferred online shopping channel is 11Street with 4.8%. Other online shopping channels utilized by the respondents are reseller's website (such as Instagram or Facebook), Zalora and Farfetch made up the rest of the respondents.



#### **4.4.4 Frequency of Online Shopping for Luxury Products**

Figure 4.11: Frequency of Online Shopping for Luxury Products



Source: Developed for the study

Figure 4.11 indicates frequency of online shopping for luxury products, 4 respondents answered 'Very Often', 22 answered 'Quite Often', 63 answered 'Often', 97 answered 'Rarely' and 27 answered 'Never'. 45.5% of the respondents rarely purchase online for luxury products and only 1.9% of the respondents often purchase luxury products online.

## **4.5 Measurement Model**

### **4.5.1 Data Reliability**

Table 4.3: Data Reliability

| Constructs | Variables            | Number of Items | Cronbach's Alpha Values |
|------------|----------------------|-----------------|-------------------------|
| PU         | Independent Variable | 4               | 0.860                   |
| PEOU       |                      | 3               | 0.875                   |
| PR         |                      | 4               | 0.799                   |
| Price      |                      | 5               | 0.881                   |
| PT         |                      | 4               | 0.929                   |
| PI         | Dependent Variable   | 6               | 0.922                   |

Table 4.3, the result of Cronbach's alpha coefficient are ranges from 0.799 to 0.929. PT has the highest value at 0.929, followed by PI at 0.922, Price at 0.881, PEOU at 0.875, PU at 0.860, and PR at 0.799. Majority of the constructs have good strength of association ( $0.7 < 0.8$ ) and a few the constructs have very good strength of association ( $0.8 < 0.9$ ). In conclusion, the construct for this study is reliable as it fulfilled the level of reliability described by Cronbach's Alpha.

## **4.6 Inferential Analysis**

After reliability test, the research continues with analysis of Pearson's correlation coefficient and multiple regressions. It is to examine the strength of the association between two variables and the relationship between the independent variables and the dependent variable respectively.

### 4.6.1 Pearson's Correlation Coefficient

Table 4.4: Pearson's Correlation Coefficient

| Correlations |                     | PU     | PEOU   | PR     | P      | PT     | PI     |
|--------------|---------------------|--------|--------|--------|--------|--------|--------|
| PU           | Pearson Correlation | 1      | .794** | .335** | .634** | .478** | .713** |
|              | Sig. (2-tailed)     |        | .000   | .000   | .000   | .000   | .000   |
|              | N                   | 213    | 213    | 213    | 213    | 213    | 212    |
| PEOU         | Pearson Correlation | .794** | 1      | .360** | .663** | .455** | .659** |
|              | Sig. (2-tailed)     | .000   |        | .000   | .000   | .000   | .000   |
|              | N                   | 213    | 213    | 213    | 213    | 213    | 212    |
| PR           | Pearson Correlation | .335** | .360** | 1      | .400** | .164*  | .209** |
|              | Sig. (2-tailed)     | .000   | .000   |        | .000   | .017   | .002   |
|              | N                   | 213    | 213    | 213    | 213    | 213    | 212    |
| P            | Pearson Correlation | .634** | .663** | .400** | 1      | .392** | .544** |
|              | Sig. (2-tailed)     | .000   | .000   | .000   |        | .000   | .000   |
|              | N                   | 213    | 213    | 213    | 213    | 213    | 212    |
| PT           | Pearson Correlation | .478** | .455** | .164*  | .392** | 1      | .571** |
|              | Sig. (2-tailed)     | .000   | .000   | .017   | .000   |        | .000   |
|              | N                   | 213    | 213    | 213    | 213    | 213    | 212    |
| PI           | Pearson Correlation | .713** | .659** | .209** | .544** | .571** | 1      |
|              | Sig. (2-tailed)     | .000   | .000   | .002   | .000   | .000   |        |
|              | N                   | 212    | 212    | 212    | 212    | 212    | 212    |

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

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

Table 4.4 shows all of the variables are significantly affecting the dependent variable at p-value less than 0.05. There is a strong positive relationship between online purchase intention of luxury products with PU (0.713) among the other variables. The relation of online purchase intention of luxury products with PEOU is 0.639, PR is 0.209, price is 0.544, and PT is 0.571. In conclusion, the positive correlation coefficient variable indicates both dependent and independent variables tend to increase in value together.

### 4.6.2 Multiple Regression Analysis

Table 4.5: Multiple Regression Analysis (Model Summary)

**Model Summary**

| Model | R                 | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|-------------------|----------------------------|
| 1     | .772 <sup>a</sup> | .596              | .55542                     |

a. Predictors: (Constant), PT, PR, P, PU, PEOU

R Square is shown to be valued at 0.596; with the regression of online purchase intention towards luxury products is valued at 0.772. This indicates that there is a 60 percent of variance of the dependent variable, online purchase intention towards luxury products, can be explained by the independent variables. The low R Square can be contributed to the limited behavioural aspect utilized in this research, as there many types of human behaviour that contributes to purchase intention.

Table 4.6: Multiple Regression Analysis (ANOVA)

**ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 93.747         | 5   | 18.749      | 60.778 | .000 <sup>b</sup> |
|       | Residual   | 63.548         | 206 | .308        |        |                   |
|       | Total      | 157.295        | 211 |             |        |                   |

a. Dependent Variable: PI

b. Predictors: (Constant), PT, PR, P, PU, PEOU

Table 4.6 shows F value is 60.778 and the significant level is 0.000. Findings indicates the regression model is able to present a significant amount of the variance in online purchase intention towards luxury products using the independent variables of PU, PEOU, PR, price, and PT.

Table 4.7: Multiple Regression Analysis (Coefficient)

**Coefficients<sup>a</sup>**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
|       |            | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant) | .154                        | .236       |                           | .651   | .516 |
|       | PU         | .439                        | .081       | .414                      | 5.420  | .000 |
|       | PEOU       | .182                        | .081       | .175                      | 2.240  | .026 |
|       | PR         | -.081                       | .053       | -.075                     | -1.516 | .131 |
|       | P          | .103                        | .072       | .090                      | 1.436  | .153 |
|       | PT         | .295                        | .057       | .265                      | 5.154  | .000 |

a. Dependent Variable: PI

Table 4.7 enables researchers to develop the multiple regression equation that explains online purchase intention towards luxury products in terms of PU, PEOU, PR, price, and PT. The regression equation is:

$$\text{Online Purchase Intention towards Luxury Products} = 0.154 + 0.439 (\text{PU}) + 0.182 (\text{PEOU}) - 0.081 (\text{PR}) + 0.103 (\text{Price}) + 0.295 (\text{PT})$$

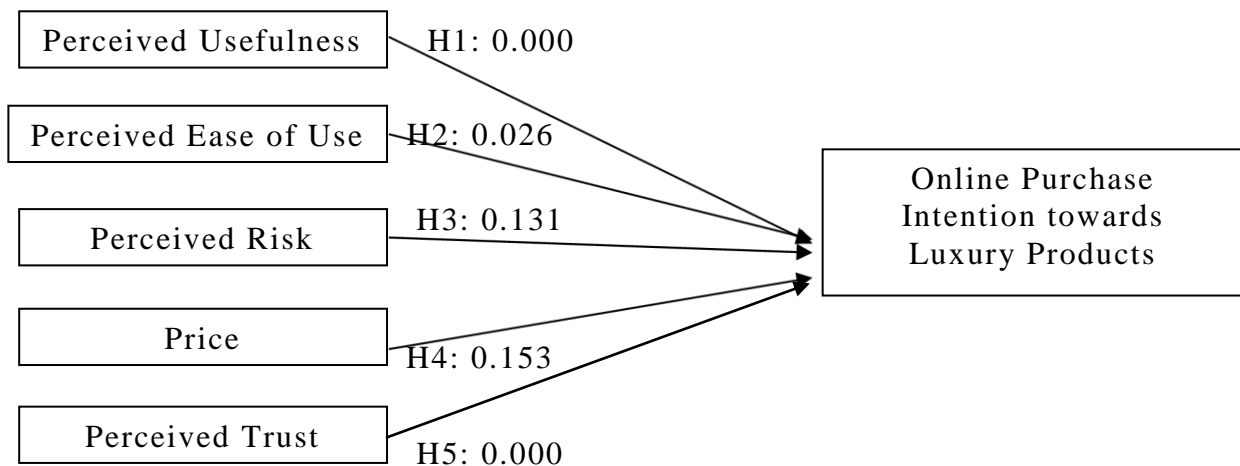
The regression coefficient is able to explain the degree of each independent variable's effects on the dependent variable when all the other independent variables are held constant. Table 4.7 indicates that there is a positive relationship between PU (0.439), PEOU (0.182), price (0.103), and PT (0.295) with online purchase intention towards luxury products. While a negative relationship between PR (-0.081) and online purchase intention towards luxury products. This translates that when a score in PU, PEOU, price, and PT increases and the score of online purchase intention towards luxury products will increase by 0.439, 0.182, 0.103 and 0.295 respectively. And with every increased score of PR, the

score of online purchase intention towards luxury products will decrease by 0.081.

The finding shows that PU has the greatest influences on online purchase intention towards luxury products since it has the highest unstandardized coefficient value at 0.414 among the five variables. This means PU makes the strongest unique contribution in explaining the influence of online purchase intention towards luxury products. This finding is as accordance to the literature review in chapter two, where in the context of online shopping, there is a positive relation with PU (Renny et al., 2012), PEOU (Ashraf et al., 2014; Renny et al., 2012), price (Graciola et al., 2018), PT (Marroitt and Williams, 2018), and a negative relation with PR (Marroitt and Williams, 2018).

## 4.7 Conceptual Framework

Figure 4.12: Hypothesis Results of Conceptual Framework



### 4.7.1 Testing of Hypotheses

H1: There is a positive relationship between **PU** and Generation Y's online purchase intention towards luxury products.

Table 4.7 shows the p-value for H1 is 0.000 ( $p < 0.05$ ), which shows significant and the relationship is supported at 95 present confidence interval. Thus, reject null hypothesis and accept H1. This finding is as accordance to Renny et al.'s (2012) findings.

H2: There is a positive relationship between **PEOU** and Generation Y's online purchase intention towards luxury products.

Table 4.7 shows the p-value for H2 is 0.026 ( $p < 0.05$ ), which shows significant and the relationship is supported at 95 present confidence interval. Thus, reject null hypothesis and accept H2. This finding is as accordance to Ashraf et al. (2014) and Renny et al.'s (2012) findings.

H3: There is a negative relationship between **PR** and Generation Y's online purchase intention towards luxury products.

Table 4.7 shows the p-value for H3 is 0.131 ( $p > 0.05$ ), which shows statistically insignificant and the relationship is not supported at 95 present confidence interval. Thus, do not reject null hypothesis, but reject H3. This finding is conflict to Marroitt and Williams (2018).

H4: There is a positive relationship between **price** and Generation Y's online purchase intention towards luxury products.

Table 4.7 shows the p-value for H4 is 0.153 ( $p > 0.05$ ), which shows statistically insignificant and the relationship is not supported at 95 present confidence interval. Thus, do not reject null hypothesis, but reject H4. This finding is conflict to Graciola et al. (2018).

H5: There is a positive relationship between **PT** and Generation Y's online purchase intention towards luxury products.

Table 4.7 shows the p-value for H5 is 0.000 ( $p < 0.05$ ), which shows significant and the relationship is supported at 95 present confidence

interval. Thus, reject null hypothesis and accept H5. This finding is as accordance to Marroitt and Williams (2018).

## **4.8 Conclusion**

Chapter Four provide findings of the demographic profiles of the respondent of this survey. Secondly, the use of Cronbach's alpha of reliability test was utilized to test the level of reliability of the proposed variables is presented. Lastly, Correlation analysis and multiple regression analysis were utilized to further analyse the relationship between the independent variables and the online purchase intention of luxury products among the generation Y in Malaysia. In the next chapter, the researcher will discuss some of the major findings and conclude this research study.



## **CHAPTER 5: DISCUSSIONS, CONCLUSION AND IMPLICATION**

### **5.0 Introduction**

Chapter Five discusses the results collected from Chapter Four. Discussion related to the crucial findings of the study is carried out to answer the research questions thus determining the attainment of the research objective. Following are the implications of the study with which future researchers or even firms can make use of for the betterment of their future research planning. The limitations of the study along with the recommendations for future research will be discussed and the chapter will end with conclusion.

### **5.1 Discussion of Major Findings**

This discussion aims to explain the factors that influence generation Ys' purchase intention of luxury products in Malaysia. Research findings in chapter four is shown to support hypotheses H1, H2, and H5. Hypotheses H3 and H4 were rejected.

Table 5.1: Results Summary of Hypotheses Testing

| Hypotheses   | Value Scored  | Decision      |
|--|---|---------------|
| H1: There is a positive relationship between <b>PU</b> and Generation Y's online purchase intention towards luxury products.   | $\beta = 0.154$<br>$p\text{-value} = 0.000 < 0.05$  | Supported     |
| H2: There is a positive relationship between <b>PEOU</b> and Generation Y's online purchase intention towards luxury products. | $\beta = 0.182$<br>$p\text{-value} = 0.026 < 0.05$  | Supported     |
| H3: There is a negative relationship between <b>PR</b> and Generation Y's online purchase intention towards luxury products.   | $\beta = -0.081$<br>$p\text{-value} = 0.131 > 0.05$ | Not Supported |

|   |   |               |
|---|---|---------------|
| H4: There is a positive relationship between <b>price</b> and Generation Y's online purchase intention towards luxury products. | $\beta = 0.103$<br>p-value = 0.153 > 0.05 | Not Supported |
| H5: There is a positive relationship between <b>PT</b> and Generation Y's online purchase intention towards luxury products.    | $\beta = 0.295$<br>p-value = 0.000 < 0.05 | Supported     |

### **5.1.1 Findings on the Hypotheses**

#### **5.1.1.1 PU and Generation Ys' Online Purchase Intention towards Luxury Products**

Table 5.1 shown that H1 with  $\beta = 0.154$ , and p-value = 0.000 < 0.05 indicates that PU is a significant factor in determining Generation Y's online purchase intention towards luxury products. Therefore, H1 is supported at 95 percent confidence interval.

The results hypothesis is confirmed to be similar to the results obtained from a literature done by Renny et al. (2012) and Sohn (2017), which shown that PU is positively related to the online purchase intention of consumers. Sohn (2017) had mention that the increase of PU can increase consumers' online purchase intention. An increasing result in PU can be done by providing useful information and easy website navigation can shift consumers' perception to purchase intention of luxury products from physical stores to online stores.

The higher the consumers' perception of usefulness on online platforms, the more likely consumers to have online purchase intention towards luxury products. This is significantly contributed to the unique features of the online platforms in terms of effectiveness, less time consuming, convenient and useful features.

Therefore, luxury companies and/or related stakeholders can implement a beneficial and useful online platform to sell their products, thus maximizing their profit.

#### **5.1.1.2 PEOU and Generation Ys' Online Purchase Intention towards Luxury Products**

Table 5.1 shown that H2 with  $\beta = 0.182$ , and p-value =  $0.026 < 0.05$  indicates that PEOU is a significant factor in determining Generation Y's online purchase intention towards luxury products. Therefore, H2 is supported at 95 percent confidence interval.

The results hypothesis is confirmed to be similar to the results obtained from a literature done by Ashraf et al (2014) and Renny et al (2012), which shown that PEOU is positively related to the online purchase intention of consumers. Ashraf et al (2014) had mention that the increase of PEOU is depended on how consumers relates ease of access to online shopping platforms to make purchase and ease of navigating an online shopping platform thus influences consumers' online purchase intention.

The higher consumers' PEOU (Renny et al, 2012), the more likely consumers to develop online purchase intention towards luxury products. This is significantly contributed to the useful features of the online platforms in terms of ease of navigation and hassle free transactions. An increasing result in PEOU can be done by providing easy website navigation and instructions can shift consumers' perception to purchase intention of luxury products from physical stores to online stores.

### **5.1.1.3 PR and Generation Ys' Online Purchase Intention towards Luxury Products**

Table 5.1 shows generation Ys' purchase intention towards luxury products cannot be explained by PR as the results is shown to be insignificant at 0.05 levels,  $\beta = -0.081$  and  $p\text{-value} = 0.131 > 0.05$ . Therefore, H4 was not supported at 95 percent confidence interval.

Risk perception is considered as one of the most important predictor in the study of any online shopping research. Despite previous findings from researchers who claimed that high PR is a significant pre-existing factor that influences consumer to not conduct online purchase (Huang et al, 2004). In this research, an increase in PR does not reduce generation Ys' online purchase intention towards luxury products. The influence of this factor can be explained by the cause of increase online shopping experience among consumers (Marroitt and Williams, 2018). As the trend of online shopping increases, so is the increase of online shopping experience of consumers thus consumers perceived a lower risk (Marroitt and Williams, 2018). Therefore, generation Y consumers with more online experience have a higher online purchase intention towards luxury products despite of the higher risk in product value.

### **5.1.1.4 Price and Generation Ys' Online Purchase Intention towards Luxury Products**

Table 5.1 shows generation Ys' purchase intention towards luxury products cannot be explained by price as the results is shown to be insignificant at 0.05 levels,  $\beta = 0.103$  and  $p\text{-value} = 0.153 > 0.05$ . Therefore, H4 was rejected at 95 percent confidence interval.

The result of this research somewhat conflicts with the results of Bodur et al. (2015), who had mentioned that consumers tend to find the lowest attractive price among online and physical stores. A possible explanation for the result of this research can be due to consumers' online shopping behavior in terms of trust and risk perception.

Consumers tend to believe that price plays a positive role towards products quality (Graciola et al., 2018); therefore they perceive a high price product to be of higher quality and a low price product to be of a lower quality. Meaning, generation Ys' online purchase intention towards luxury products could care less about the price as their perception of high price is an indicator of quality. Hence, in this research, generation Ys' online purchase intention towards luxury products does not interfere by the high price of luxury products as they are willing to pay more in return for high quality products.

#### **5.1.1.5 PT and Generation Ys' Online Purchase Intention towards Luxury Products**

Table 5.1 shows H1 with  $\beta = 0.154$ , and  $p\text{-value} = 0.000 < 0.05$  indicates that PU is a significant factor in determining Generation Y's online purchase intention towards luxury products. Therefore, H5 is supported at 95 percent confidence interval.

The results hypothesis is similar to the results obtained from a literature done by Ashraf et al. (2014), and Marroitt and Williams (2018), which shown that PT is positively related to the online purchase intention of consumers. Ashraf et al (2014) and Marroitt and Williams (2018) had mention trust is an important variable that can cause a resulting effect on consumers' online purchase intention.

In addition, the difference in consumers' trust varies from online retailer to retailer (Marroitt and Williams, 2018). The greater the consumers trust in an online purchase platform, the higher the consumers' online purchase intention towards luxury products. Meaning, consumers need to have developed a positive trust towards online retailers on their ability to deliver products and services. If the retailer fails to provide the element of trust, consumers online purchase intention from that particular retailer will decrease (Marroitt and Williams, 2018). Therefore, an increasing result in PT can be done by establishing reliability, trustworthiness, honest terms and a secure website to shift consumers' perception on purchase intention of luxury products from physical stores to online stores.

## **5.2 Implications of the Study**

Along with the growing trend of online shopping in Malaysia and the adoption of online shopping among Generation Y especially in terms of purchasing luxury product online, this research has established a vital underlying study about the effect of PU, PEOU, PR, price and PT towards luxury products among Generation Y in Malaysia marketing managers and online retailers are can make use of the implications and findings for their future planning.

The findings of this research indicate that PU, PEOU and PT manifested strong impact on Generation Y's online purchase intention towards luxury products in Malaysia. In contrast to the above, PR demonstrated a negative impact while price is found to have no influence on Generation Y's online luxury purchase intention.

Regarding PU, Generation Y respondents are most likely to purchase luxury products online as it enhances their luxury purchasing effectiveness. Marketing

managers and online retailers should improve the effectiveness of their online shopping website to provide comfort and ease the Generation Y's purchasing activities thus attracting them to increase their spending on luxury products online. Online retailers should also provide helpful detailed product description such as size dimensions, weight, practical uses and warranty along with clear photos of their luxury products to help them make important purchase decisions.

With regards to PEOU, Generation Y tends to purchase luxury products online when the online shopping sites provide useful features in helping them to make purchase decision of luxury products. Therefore, online retailers should design their online shopping website by providing easy and understandable features and consecutively provides information that appeal to Generation Y's online luxury purchasing needs and optimizing the online shopping website on multiple devices that the Generation Y most likely will be using frequently for online luxury purchase.

PT is definitely a vital factor for Generation Y's online purchase intention for luxury products. Luxury products are priced at high price which makes the consumers to be more careful of their purchase decision in fear of being scammed especially when the luxury purchase is done on not trustworthy online shopping sites. Therefore, to improve trust among Generation Y, online retailers should ensure that they provide guaranteed safe transactions for luxury purchases that are safeguard with multiple security policies and build a strong customer service team that is quick to adhere to the needs of the Generation Y's.

### **5.3 Limitations of the Study**

As shown by other studies, this research is also limited to certain constraints. Firstly, the focus of this study on Generation Y may be a possible limitation. The growing trend of online luxury purchase does not occur only among

Generation Y, but impacted other groups of consumers greatly such as Generation Z that may be engaged more in online shopping compared to Generation Y. There are possibilities that other groups of consumers may be adopting online luxury purchase faster compared to Generation Y as well. Thus, the results generated may not be accurate and may be biased.

Secondly, the researchers are only using online questionnaire through Google Form. As such, the researchers may not know the respondents of the questionnaire. Although online questionnaire ease the researchers' work of distributing it, however, distributing hard copies of questionnaire is more preferable to directly approach their target respondents. Distributing online questionnaire may also cause error to answers collected.

Lastly, the current study was also performed under time constraint. Conducting a research in a timely manner which allows the researchers to collect reliable and valid data is important in ensuring the success of the study. The researchers may be forced to collect limited amount of results without being able to see any change in trend which may affect the data collected. Consequently, the trend of online luxury purchase intention may improve or decline in the next few months. Therefore, longer time frame is more preferable in conducting the research in order to collect more meaningful and accurate results.

## **5.4 Recommendations for Future Research**

There are few suggestions to improve the findings for future research. Firstly, more time and a larger sampling size for a future research of this sort. The researcher should be given a longer time frame to collect larger samples for more reliable findings.



Secondly, expand target population for future research. Current research is only limited to Generation Y, by expanding to other generations enables researcher a better understanding of the online purchase intention towards luxury products.

Lastly, develop a multilingual questionnaire in English, Malay and Mandarin. This would allow researcher to remove the language barrier among respondents. Moreover, it would enable respondents' understanding towards the questions thus increases the accuracy and precision of the results.

## **5.5 Conclusion**

In the context of online shopping, purchase intention is an important variable. Out of the five hypothesis proposed, H3 and H4 was not supported. This implies that PR and price has no significant on Generation Ys' online purchase intention towards luxury products in Malaysia.

Additionally, finding had shown that PU and PT were the most significant factors in Generation Ys' online purchase intention towards luxury products in Malaysia. This implies that consumers prefer effectiveness, convenient and useful features of online shopping when it comes to PU. In terms of trust, consumers prefer to purchase from reliable, trustworthy, honest terms and a secure website of online stores.

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**APPENDICES**

**Appendix A – Questionnaire**



**Questionnaire Survey**

**UNIVERSITY TUNKU ABDUL RAHMAN  
FACULTY OF ACCOUNTANCY AND MANAGEMENT (FAM)  
BACHELOR OF INTERNATIONAL BUSINESS**

Dear respondent,

**Survey on the factors affecting online shopping intention towards luxury products among Generation Y in Malaysia**

We are BIN students from University of Tunku Abdul Rahman (UTAR). We are conducting a research project on “A study on factors affecting online shopping intention towards luxury products among Generation Y in Malaysia”.

The respondent’s identity will be kept anonymous and confidential. This survey contains only two sections, which should take not more than 20 minutes to complete. Your answer is very important for us to conduct this research successfully.

Thank you for your precious time and participation in this survey.

Yours Faithfully,

ANNA ROSEBEL WAN YING FENG

VERONICA JACK MONGUDAL

**SECTION A:**

**INSTRUCTIONS:** Please read each question carefully. Answer the question by filling the appropriate box that represents your response.

1. Gender

- Male
- Female

2. Age

- 21 - 25 years old
- 26 - 30 years old
- 31 - 35 years old
- 36 - 40 years old

3. Race

- Malay
- Chinese
- Indian
- Others \_\_\_\_\_

4. Marital status

- Single
- Married
- Divorce/Widow

5. Education level

- Primary/Secondary
- Foundation/Diploma
- Undergraduate (Degree)
- Postgraduate (Master, PHD, MBA)

6. Occupation

- Student
- Full time worker

- Part-time worker
- Self-employed
- Homemaker
- Retired
- Others \_\_\_\_\_ (Please specify)

7. Personal Monthly Income/ Allowance

- Less than RM1,500
- RM1,500 to RM3,000
- RM3,001 to RM4,500
- RM4,501 and above

8. Do you have any intention to purchase luxury product from online shopping sites?

- Yes
- No

9. If you do purchase luxury product from online shopping sites, what kind of luxury product that you usually purchase? (You may select more than one)

- Technology gadgets
- Fashion products
- Luxury accessories
- Boutique brands
- Prestige brands
- Food and beverage
- Others \_\_\_\_\_ (please specify)

10. Where will you purchase product/service? (You may select more than one)

- Lazada
- Shopee
- 11street
- Taobao

- Hermo
- Luxury brand's online shopping website
- Others \_\_\_\_\_ (please specify)

11. How often do you purchase luxury products from online shopping sites?

- Very Often
- Quite Often
- Often
- Rarely
- Never

**SECTION B:**

INSTRUCTION: Listed below are the measurement items about.

| <b>Perceived of Usefulness</b>   | <b>S. Disagree</b> |   | <b>Neutral</b> | <b>S. Agree</b> |   |
|--|--------------------|---|----------------|-----------------|---|
| 12 Online shopping allow me to enhance my luxury purchasing effectiveness.   | 1                  | 2 | 3              | 4               | 5 |
| 13 Online shopping is a convenient way to shop for luxury products.  | 1                  | 2 | 3              | 4               | 5 |
| 14 Online shopping makes shopping less time consuming to purchase luxury products.   | 1                  | 2 | 3              | 4               | 5 |
| 15 Online shopping features are useful (e.g. most viewed deals, past purchase reviews) in helping me in my purchase decision of luxury products. | 1                  | 2 | 3              | 4               | 5 |

| <b>Perceived Ease of Use</b>   | <b>S. Disagree</b> |   | <b>Neutral</b> | <b>S. Agree</b> |   |
|--|--------------------|---|----------------|-----------------|---|
| 16 Online shopping sites provide useful features in helping me to make purchase decision of luxury products. | 1                  | 2 | 3              | 4               | 5 |
| 17 Online shopping sites are easy to navigate for luxury purchase.   | 1                  | 2 | 3              | 4               | 5 |
| 18 Online shopping sites transactions are hassle free when conducting luxury purchase.                       | 1                  | 2 | 3              | 4               | 5 |

| <b>Perceived Risk</b>  | <b>S. Disagree</b> |   | <b>Neutral</b> | <b>S. Agree</b> |   |
|--|--------------------|---|----------------|-----------------|---|
| 19 I believe that luxury purchases from online shopping are risky because the products delivered may fail to meet my expectations. | 1                  | 2 | 3              | 4               | 5 |
| 20 I believe that luxury purchases from online shopping are risky because the products delivered may be inferior.                  | 1                  | 2 | 3              | 4               | 5 |

|    |   |   |   |   |   |   |
|----|---|---|---|---|---|---|
| 21 | I believe that luxury purchases from online shopping are risky because these purchases may cause others to think less highly of me. | 1 | 2 | 3 | 4 | 5 |
| 22 | I believe that luxury purchases from online shopping are risky because these purchases may lead to a time loss for me.              | 1 | 2 | 3 | 4 | 5 |

| <b>Price</b> |   | <b>S. Disagree</b> | <b>Neutral</b> | <b>S. Agree</b> |   |   |
|--------------|---|--------------------|----------------|-----------------|---|---|
| 23           | Price is the most important factor in making any online purchase of luxury product.   | 1                  | 2              | 3               | 4 | 5 |
| 24           | I compare prices of luxury product with physical retail stores before I purchase.   | 1                  | 2              | 3               | 4 | 5 |
| 25           | I purchase luxury products online because the price is appropriate compared to physical retail stores.                            | 1                  | 2              | 3               | 4 | 5 |
| 26           | My luxury purchase intention will increase when online shopping sites is having promotion.  | 1                  | 2              | 3               | 4 | 5 |
| 27           | I will switch from physical retail stores to online shopping sites if it is providing promotion and discount for luxury products. | 1                  | 2              | 3               | 4 | 5 |

| <b>Perceived Trust</b> |  | <b>S. Disagree</b> | <b>Neutral</b> | <b>S. Agree</b> |   |   |
|------------------------|--|--------------------|----------------|-----------------|---|---|
| 28                     | Online shopping platform is general reliable for luxury purchase.    | 1                  | 2              | 3               | 4 | 5 |
| 29                     | Online shopping platform is general honest for luxury purchase.      | 1                  | 2              | 3               | 4 | 5 |
| 30                     | Online shopping platform is general trustworthy for luxury purchase. | 1                  | 2              | 3               | 4 | 5 |

|    |   |   |   |          |   |   |
|----|---|---|---|----------|---|---|
| 31 | Online shopping platform is general secure for luxury purchase. | 1 | 2 | <b>3</b> | 4 | 5 |
|----|---|---|---|----------|---|---|

| <b>Purchase Intention</b> |  | <b>S. Disagree</b> |   | <b>Neutral</b> |   | <b>S. Agree</b> |  |
|---------------------------|--|--------------------|---|----------------|---|-----------------|--|
| 32                        | I plan to purchase luxury products online in near future.                            | 1                  | 2 | <b>3</b>       | 4 | 5               |  |
| 33                        | I am willing revisit online shopping sites for luxury purchase.                      | 1                  | 2 | <b>3</b>       | 4 | 5               |  |
| 34                        | I intend to make future luxury purchases from online shopping platforms.             | 1                  | 2 | <b>3</b>       | 4 | 5               |  |
| 35                        | I intend to continue using online shopping platforms for luxury purchase.            | 1                  | 2 | <b>3</b>       | 4 | 5               |  |
| 36                        | I intend to increase using online shopping platforms for luxury purchase.            | 1                  | 2 | <b>3</b>       | 4 | 5               |  |
| 37                        | I would consider browse online shopping platforms for luxury purchase in the future. | 1                  | 2 | <b>3</b>       | 4 | 5               |  |



**Appendix B – Pilot Study**

**Reliability**

**Scale: Perceived Usefulness  
Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .810             | 4          |

**Item Statistics**

|      | Mean   | Std. Deviation | N  |
|------|--------|----------------|----|
| POU1 | 3.3750 | 1.07864        | 40 |
| POU2 | 3.5750 | .90263         | 40 |
| POU3 | 3.6500 | 1.00128        | 40 |
| POU4 | 3.7250 | .87669         | 40 |

**Item-Total Statistics**

|      | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| POU1 | 10.9500                    | 5.177                          | .656                             | .751                             |
| POU2 | 10.7500                    | 5.782                          | .682                             | .739                             |
| POU3 | 10.6750                    | 5.558                          | .635                             | .759                             |
| POU4 | 10.6000                    | 6.349                          | .553                             | .796                             |

**Scale Statistics**

| Mean    | Variance | Std. Deviation | N of Items |
|---------|----------|----------------|------------|
| 14.3250 | 9.558    | 3.09166        | 4          |

**Scale: Perceived Ease of Use  
Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .728             | 4          |

**Item Statistics**

|       | Mean   | Std. Deviation | N  |
|-------|--------|----------------|----|
| PEOU1 | 3.5750 | .67511         | 40 |
| PEOU2 | 3.1500 | .89299         | 40 |

|       |        |        |    |
|-------|--------|--------|----|
| PEOU3 | 3.5750 | .71208 | 40 |
| PEOU4 | 3.7250 | .84694 | 40 |

**Item-Total Statistics**

|       | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| PEOU1 | 10.4500                    | 3.433                          | .628                             | .617                             |
| PEOU2 | 10.8750                    | 3.804                          | .247                             | .838                             |
| PEOU3 | 10.4500                    | 3.177                          | .700                             | .570                             |
| PEOU4 | 10.3000                    | 2.985                          | .601                             | .615                             |

**Scale Statistics**

| Mean    | Variance | Std. Deviation | N of Items |
|---------|----------|----------------|------------|
| 14.0250 | 5.461    | 2.33686        | 4          |

**Scale: Perceived Risk  
Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .738             | 4          |

**Item Statistics**

|     | Mean   | Std. Deviation | N  |
|-----|--------|----------------|----|
| PR1 | 3.8500 | .83359         | 40 |
| PR2 | 3.8000 | 1.04268        | 40 |
| PR3 | 3.3000 | 1.11401        | 40 |
| PR4 | 3.3500 | 1.14466        | 40 |

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| PR1 | 10.4500                    | 6.254                          | .661                             | .627                             |
| PR2 | 10.5000                    | 6.051                          | .500                             | .695                             |
| PR3 | 11.0000                    | 5.692                          | .521                             | .685                             |
| PR4 | 10.9500                    | 5.741                          | .483                             | .710                             |

**Scale Statistics**

| Mean    | Variance | Std. Deviation | N of Items |
|---------|----------|----------------|------------|
| 14.3000 | 9.703    | 3.11489        | 4          |

**Scale: Price**  
**Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .896             | 5          |

**Item Statistics**

|    | Mean   | Std. Deviation | N  |
|----|--------|----------------|----|
| P1 | 4.1750 | .81296         | 40 |
| P2 | 4.1250 | .79057         | 40 |
| P3 | 3.9750 | .73336         | 40 |
| P4 | 4.0250 | .80024         | 40 |
| P5 | 4.0250 | .89120         | 40 |

**Item-Total Statistics**

|    | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| P1 | 16.1500                    | 7.669                          | .706                             | .882                             |
| P2 | 16.2000                    | 7.600                          | .753                             | .871                             |
| P3 | 16.3500                    | 7.977                          | .722                             | .879                             |
| P4 | 16.3000                    | 7.497                          | .769                             | .868                             |
| P5 | 16.3000                    | 7.036                          | .778                             | .866                             |

**Scale Statistics**

| Mean    | Variance | Std. Deviation | N of Items |
|---------|----------|----------------|------------|
| 20.3250 | 11.507   | 3.39220        | 5          |

**Scale: Perceived Trust**  
**Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .943             | 4          |

**Item Statistics**

|     | Mean   | Std. Deviation | N  |
|-----|--------|----------------|----|
| PT1 | 3.3000 | .91147         | 40 |
| PT2 | 3.3250 | .91672         | 40 |
| PT3 | 3.2500 | .89872         | 40 |

|     |        |        |    |
|-----|--------|--------|----|
| PT4 | 3.2250 | .94699 | 40 |
|-----|--------|--------|----|

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| PT1 | 9.8000                     | 6.626                          | .868                             | .924                             |
| PT2 | 9.7750                     | 6.640                          | .857                             | .927                             |
| PT3 | 9.8500                     | 6.541                          | .909                             | .911                             |
| PT4 | 9.8750                     | 6.625                          | .822                             | .939                             |

**Scale Statistics**

| Mean    | Variance | Std. Deviation | N of Items |
|---------|----------|----------------|------------|
| 13.1000 | 11.528   | 3.39532        | 4          |

**Scale: Purchase Intention  
Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .949             | 11         |

**Item Statistics**

|      | Mean   | Std. Deviation | N  |
|------|--------|----------------|----|
| P11  | 3.3250 | .82858         | 40 |
| P12  | 3.4500 | .93233         | 40 |
| P13  | 3.5750 | .84391         | 40 |
| P14  | 3.0000 | .84732         | 40 |
| P15  | 3.6500 | .89299         | 40 |
| P16  | 3.5750 | .81296         | 40 |
| P17  | 3.2500 | .70711         | 40 |
| P18  | 3.4750 | .78406         | 40 |
| P19  | 3.5000 | .75107         | 40 |
| P110 | 3.4000 | .67178         | 40 |
| P111 | 3.4250 | .84391         | 40 |

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| P11 | 34.3000                    | 45.190                         | .631                             | .949                             |
| P12 | 34.1750                    | 42.917                         | .747                             | .945                             |
| P13 | 34.0500                    | 42.408                         | .890                             | .939                             |
| P14 | 34.6250                    | 45.984                         | .540                             | .952                             |
| P15 | 33.9750                    | 41.820                         | .891                             | .939                             |
| P16 | 34.0500                    | 43.741                         | .791                             | .943                             |
| P17 | 34.3750                    | 46.651                         | .596                             | .949                             |
| P18 | 34.1500                    | 42.695                         | .937                             | .937                             |
| P19 | 34.1250                    | 44.317                         | .803                             | .943                             |

|      |         |        |      |      |
|------|---------|--------|------|------|
| PI10 | 34.2250 | 44.846 | .846 | .942 |
| PI11 | 34.2000 | 42.882 | .843 | .941 |

**Scale Statistics**

| Mean    | Variance | Std.<br>Deviation | N of Items |
|---------|----------|-------------------|------------|
| 37.6250 | 52.907   | 7.27372           | 11         |