DINASTI INTERNATIONAL JOURNAL OF DIGITAL BUSINESS AND MANAGEMENT (DIJDBM)
E-ISSN : 2715-4203
P-ISSN : 2715-419X
DINASTI PUBLISHER
https://dinastipub.org/DIJDBM dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.31933/dijdbm.v5i2
Received: January 26th, 2024, **Revised:** February 22th, 2024, **Publish:** March 6th, 2024
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Factors that Influence the Purchase Intention of Luxury Fashion

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Abstract: Sales of luxury fashion are growing rapidly in Indonesia. Competition from well-known brands is tight, so a separate strategy is needed to build interest in buying this luxury fashion. Consumer behavior in buying luxury goods has its uniqueness, the same thing also happens in interest in purchasing luxury fashion. Consumer purchase intention is influenced by emotional and rational aspects. The main purpose of this research is to formulate the strategy to develop costumer purchase intention of luxury fashion. This research conveys the influence of emotional aspects, namely the influence of brands, experiences, and hedonic behavior, and the influence of rational aspects which include product quality, price, and information, in influencing consumer buying interest in luxury fashion. The research is a quantitative study involving 125 consumers with the criteria of having purchased luxury fashion. The research results show that hedonic behavior, price, and information do not significantly influence consumer buying interest, while product quality, experience, and brand significantly influence consumer buying interest.

Keywords: Emotional Aspect, Rational Aspect, Luxury Fashion, Purchase Intentio

INTRODUCTION

For some people, luxury goods are a reflection of success or proof of success in a career. The more ownership of luxury goods shows, the more successful a person is. (Dubois, 2020). Luxury goods are high-quality goods, sought after by many people. Even though many people are interested in it, only few of them can get it because the quantity is limited and the price is relatively high, so luxury goods are very exclusive products (Wilcox & Zaichkowsky, 2020).

One type of luxury goods is fashion. Fashion products are quite broad, including clothing, footwear, watches, jewelry, and other products that are attached to the body either to fulfill the main function of clothing or as accessories. Apart from fashion, several other products can be categorized as luxury goods, such as luxury cars, luxury homes, luxury food, and even luxury travel. The prospects for selling luxury fashion are very large. Indonesia in the year 2023, luxury fashion sales worth USD465 Million and it is estimated that this will increase to USD480 Million in year 2024. Luxury fashion brands that dominate the market are products from abroad, such as brands that contribute quite significantly such as Louis

Vuitton, Gucci, Chanel, Prada, Dior, Hermes, Dolce & Gabbana, Burberry, Versace, Cartier. (Statista, 2023).

This research limits luxury goods products, namely luxury fashion. Luxury fashion is fashion that is of good quality, has a unique and attractive design, is limited in quantity, and has a strong brand image, therefore the price is relatively expensive. This research aims to define consumer behavior when buying fashion that is categorized as luxury goods. It is expected that this research can be used to determine a luxury fashion sales strategy because competition for luxury fashion sales is fierce. This research model can be used and developed by subsequent researchers.

Research related to consumer behavior in purchasing luxury goods has been widely discussed, including by Stanciu and Condrea (2018) who stated that what makes luxury products expensive is good quality raw materials, a perfect manufacturing process, and supported by a well-known brand. While Nyadzayo et al. (2020) said that the relatively expensive price of luxury goods is not an obstacle because this product already has its market share even though there are not many of them (niche market). According to other researchers, the decision to buy luxury goods is also influenced by brand perception and social influences (Keni, 2022). Luxury products provide psychological value to users, such as recognition, self-esteem, and status. Luxury products can also be associated with several types of value, such as conspicuousness, distinctiveness and quality, hedonism (Li et al., 2017)

Unlike previous research, this research evaluates consumer behavior based on rational and emotional aspects of purchasing luxury fashion. Variables that reflect emotional and rational aspects are introduced in this research. The emotional aspect is represented by the variables of brand influence, hedonic behavior, and consumer experience, while the rational aspect is represented by the variables of product quality, price, and information. This research model describes the influence of each of these variables on interest in buying luxury fashion. (Figure 1)

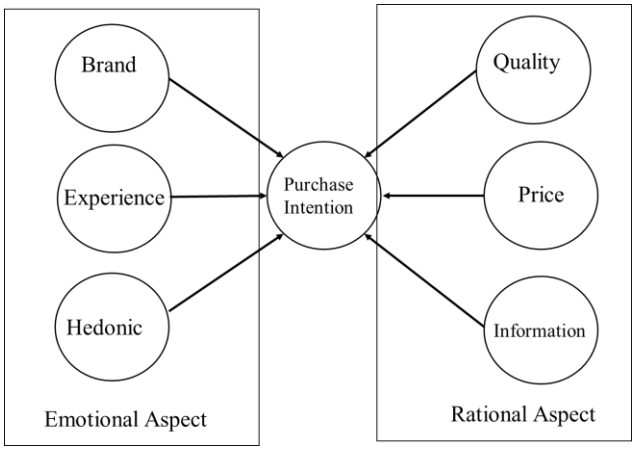

Figure 1: Research Model

METHOD

This research method is included in the quantitative research method. Data was obtained from respondents' answers to the questionnaire. Respondents were a sample of all consumer population. The sample was selected using the purposive sampling method. The criterion for respondents is consumers who have purchased luxury fashion. This research involved 125 respondents. Data processing was carried out using Structural Equation Modeling.

This research uses variables referring to several previous research. Finally, the research used the variables that followed the research topic, namely interest in buying luxury fashion. The variables and indicators used can be briefly described in the following table.

Table 1: Variables and Indicators

Variabel	Description	Concept Indicator	Symbol
Brand	Fashion brands are a main consderation	Popular Brand	B1
		Selecting the brand	B2
		Promoting the Brand	B3
Hedonic	Pleasure in doing shopping	Impulsive buying	H1
		Shopping hobby	H2
		The need for doing shopping	H3
Experience	Feeling when gettig the luxury fashion	Looking for a new place/store	E1
		Buying a new product (design)	E2
		Product sensation	E3
Quality	Quality of luxury fashion	Quality of Materials	Q1
		Attractive Design	Q2
		According to the need	Q3
Price	Price Perception of costs that consumers must pay	commensurate with the product	P1
		According to ability	P2
		Compeitive	P3
Information	Information that explains luxury fashion	Consumer Review	I1
		Product Reviewer	I2
		Advertisement	I3
Intention	Efforts that reflect interest in luxury fashion	Searching the product	PI1
		Discuss the Product	PI2
		Purcchase the Product	PI3

Theoretical Review and Hypothesis

Purchase Intention

Purchase Intention is defined as the possibility that consumers will be interested in a particular product and even buy that product. Knowledge of predicting the possibility that consumers will buy a product or not is useful for marketers (Menon, 2017)

Brand and Purchase Intention

Brand resonance is the ultimate goal in building a brand. When a brand becomes a brand resonance, consumers tend to have an emotional connection with the brand. This outcome is beneficial in luxury product and service marketing because it builds emotional connections, this issue is not crucial in non-luxury products (Teah et al., 2023). Brand resonance is a combination of consumers' perceptions, expectations, and feelings about the product. Brand resonance is the performance of the brand. (Duman et al., 2018). This research can establish the following hypothesis:

H1: Brands influence consumers in purchasing luxury fashion

Hedonic and Purchase Intention

Hedonic motivations are defined as consumption behaviors with a view to happiness, fantasy, enjoyment, entertainment, and pleasure in the act of purchase (Santo and Marques, 2021). The research states that the hedonic motive is the purchasing process as like enjoyment, and luxury goods, it genuinely focuses on self-interested needs, desires, and

personal expression. Based on this research, a hypothesis of hedonic behavior is formulated as

H2: Hedonic influences consumer behavior in purchasing luxury fashion

Experiences and Purchase Intention

Customer experiences (Experience) are defined as a multidimensional structure focusing on the behavioral, cognitive, affective, sensory, and social customers' responses to marketing stimuli (Schallehn et al., 2019). Affective experience is one of the important aspects of the decision-making process of consumers of products and services (Nardini & Lutz, 2018). This research formulates a hypothesis

H3: Experience influences consumers in purchasing luxury fashion

Quality and Purchase Intention

Product quality (Quality) is defined as the evaluation of consumers about product elements, such as performance, features, reliability, conformance, durability, and whether it will meet the customer's needs. Therefore, the company anticipates that it must hold product variations that always create new nuances because it is crucial and has a relationship in the view of consumers to the decision to buy a product (De Giovanni and Zaccour, 2023) which reveals that the nature of goods that are viewed as great by customers will make purchasing choices.

Customers are interested in purchasing the goods by assessing several factors that support the product itself, including the quality of the product, the variety offered, the price to consumers, and the advertising (Kotler and Keller, 2021).

H4: Quality influences consumers in purchasing luxury fashion

Price and Purchase Intention

Perceived price (Price) is regarded as the utilization of benefits customers get from the product (Cakici et al., 2019). The perceived price helps consumers measure the importance of a service or product they intend to buy and is also an important factor in consumer satisfaction. Perceived price influences consumer buying behavior or intention (Ali & Bhasin, 2019).

H5: Perceive price (Price) influences consumers in purchasing luxury fashion

Information and Purchase Intention

Consumers get information related to products from various sources such as reviews from social media, advertisements, family and friends, and other sources. Consumers use the information to evaluate products before purchasing. The evaluation process for data products takes place quickly or slowly. Several previous studies have discussed the influence of information obtained from reviews on social media on purchasing decisions (Boardman and McCormick, 2021; Guo et al., 2020).

H6: Information influences consumers in purchasing luxury fashion.

RESULTS AND DISCUSSION

Statistics Test

Number of eligible respondents was 125, the characteristics of respondents in this study. Most of the respondents were women with a composition of 110 women (88%) and 15 men (12%). The age group of respondents was dominated by the age group of 26 to 42 years as much as 83% of the total respondents.

Validity and reliability tests were carried out on the variables used in this study. All variables in this study are latent variables, each of which is explained by 3 indicators. The

power of each indicator in explaining its latent variable is indicated by the outer loading factor. An indicator is considered able to explain a latent variable if the value of the loading factor is > 0.6, while the reliability is expressed by Cronbach alpha > 0.6, AVE > 0.5, and CR > 0.6. (Hair et al., 2019). The results of the tests indicate that all variables are reliable and all indicators are valid.

Table 2. Reliability and Validity

Variabel	Indicator	Load	Cr Alpha	CR	AVE
Brand	B1	0.887	0.788	0.874	0.699
	B2	0.727			
	B3	0.884			
Experience	E1	0.943	0.892	0.934	0.825
	E2	0.825			
	E3	0.951			
Hedonic	H1	0.713	0.845	0.903	0.762
	H2	0.961			
	H3	0.968			
Information	I1	0.794	0.712	0.814	0.614
	I2	0.743			
	I3	0.774			
Price	P1	0.744	0.718	0.821	0.606
	P2	0.713			
	P3	0.869			
Intention	PI1	0.941	0.847	0.906	0.765
	PI2	0.703			
	PI3	0.958			
Quality	Q1	0.706	0.701	0.780	0.611
	Q2	0.931			
	Q3	0.716			

Source: Output PLS

Hypothesis Testing

The path coefficient was calculated according to the research model by using PLS. The following table is a Path Coefficient that shows the influence of independent variables on dependent variables. The effect is considered to be significant if the P value <0.05. The original value number is positive, indicating that the relationship between the dependent variable and the independent variable is in the same direction. The better the performance of the independent variable, the better the consumer's purchase intention

Table 3. Path Coefficient

	Original (O)	Mean (M)	(STDEV)	T Statistics	P Values
Brand -> Intention	0.206	0.206	0.100	2.061	0.040
Hedon -> Intention	0.069	0.094	0.095	0.725	0.469
Information -> Intention	0.016	0.045	0.116	0.135	0.893
Price -> Intention	0.073	0.078	0.095	0.767	0.443
Quality -> Intention	0.184	0.185	0.097	2.015	0.049
experience -> Intention	0.251	0.242	0.089	2.822	0.005

Source: output PLS

The path coefficient shows that Brand, Quality, and Experience have a positive and significant influence on consumers' interest in purchasing luxury fashion. The influence of Brand and Experience represents the emotional aspect of consumers, while concern for Quality reflects the rational aspect of consumers. Meanwhile, other variables, namely Hedonic, Information, and Price, do not significantly influence consumer purchase intention.

The results of this research also show that consumers of luxury goods, especially fashion, are strongly influenced by emotional aspects such as brands. Choosing a well-known brand is one of the determining factors in purchasing luxury fashion. Apart from brands, another emotional aspect that also influences is experience. Consumers feel comfortable and confident when wearing luxury fashion, therefore consumers explore products by looking for new products in more exotic places. Consumers in this case place the exclusivity aspect as a priority. The role of consumer experience in purchasing intention is also confirmed by research which states that consumer experience which includes cognitive experience, affective experience, social experience, and sensory experience has a positive effect on purchase intention (Esmaeilpour and Mohseni, 2019).

Research also reveals that rational aspects such as price and available information are not the main concern of consumers. Luxury fashion buyers have their assessment of a product so reviews from other consumers are not a reference. A similar thing is related to product prices. Luxury fashion consumers usually have strong financial capabilities so they are not sensitive to price. Even though luxury fashion consumers are less rational, consumers pay attention to product quality. Quality is one of the determining factors in purchasing decisions. Consumers attach importance to the quality of materials, design, and function of products. Luxury fashion consumers' concern for quality is in line with research conducted by Wang (2022) which states that consumers when buying luxury goods not only prioritize external values such as perception of wealth and high social status but also consider the intrinsic value of the product, namely quality.

The influence of product quality on interest in buying luxury goods is also supported by Farrag (2017) research conducted in Qatar which states that consumers take into consideration product quality when buying luxury goods.

The research indicate that hedonic behavior and impulsive buying are not factors that determine luxury fashion purchases. Consumers are quite realistic and rational in using time to consider and evaluate product purchases. The influence of hedonic behavior in this research is not in line with research conducted by Mousa (2019), which states that consumers are influenced by hedonism and product quality, especially related to product uniqueness.

Even though there is still a research gap between this research and previous research, this research identified that customers' purchase intention of luxury fashion is strongly influenced by familiar brands, quality and the sensation of wearing luxury fashion. This is quite difficult for new brand to enter the luxury fashion market. The strategy that can be implemented to compete with well-known brands is to produce luxury fashion with excellent quality, even though to price is expensive (relatively high). Consumers of Luxury fashion are not price sensitive.

CONCLUSION

The supporting factor to build the interest in buying luxury fashion products in Indonesia is well-known brands. This well-known brand makes users feel good and gain experience. The experience of getting luxury fashion and wearing it is a factor that has a positive influence on buying interest. Apart from brand and experiences factors, product quality is also a determining factor in the emergence of interest in buying luxury fashion. Apart from being emotional when choosing a well-known brand, consumers are also rational because they assess product quality which includes fashion materials and design, both of

which are the values of luxury fashion. Brand, customer experiences, and product quality need attention in determining luxury fashion sales strategies both for new entrants and for products that are currently competing in the luxury fashion market.

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