UNIVERSITI TEKNOLOGI MARA

DETERMINANTS OF PURCHASING LUXURY HANDBAGS AMONG THE GENERATION Y.

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A Dissertation submitted in partial fulfillment of the requirements for the degree of Business Marketing (Hons)

Faculty of Business

June 2015

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ABSTRACT

This study is focused on generation Y's behaviour in buying luxury bags in Malaysia specifically Kuching area. It will be conducted on working young adults through a survey approach. The amount of consumption of luxury handbags increased gradually since brands are seen as status symbols, further research is done due to this extraordinary phenomenon. According to Grotts & Johnson (2013) new trend has emerged within the handbag industry due to the consumer demand for status-laden products. Generation Y has had exposure to high technology and economic independence since their upbringing days, as a result of which their preference has always been spending on technology goods and brands perceived to have quality and class (McCrindle, 2007). The objectives of this study are to provide an overview relation of brand equity and consumer purchase intention based on what initiate and encourage generation Y to buy luxury bags. The components of acquiring luxury bags are financial value, functional value, individual value, and social value.

Keywords: brand equity, generation Y, buying purchase intention, luxury bags.

ACKNOWLEDGEMENTS

This research could not have been completed without the help and support from numerous numbers of people. First of all, I would like to thank god for the blessings and opportunity to complete our research and report on time.

I would like to thank my adviser , Dr. Jati Kasuma who has been helping, guiding, encouraging, and supporting me in completing this research with adequate amount of time.

Thank you also to all respondents who were willing to spend their time filling the survey form. My lovely classmates from BM220/240 who directly and indirectly involved in providing relevant information that were used to complete my final report.

Last but not least, to my family members, acquaintance and friends, thank you for the support and encouragement, I love each and every one of you more than I can say.

Thank you.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURE

1.0 INTRODUCTION

Fashion is a multi-billion dollar global industry with global sales worth upward of US$80 billion (Nuxoll 2007). According to Forbes (2015), Amancio Ortega the co-founder of Zara is the fourth richest man with a net worth of USD 62.7 billion. While the chairman and CEO of LVMH is placed at number 13 with USD 37 billion net worth. This creative, fun and exciting culture is just not about clothing but also an art that has been parts of our lives since we were born; every day we select and plan what we are going to wear to events, work, school, etc. Countless of people contributed to this industry, creating beautiful garments, shoes, handbags, jewelleries; which people buy in everyday life.

As time passed by, everyone around the world is obsessed with this modern culture. Fashion became more popular especially with the current technologies available nowadays; latest fashion news, trends and styles can be accessed easily as there are instant updates on social networks, websites, and smartphone applications via internet. Fashion is everywhere, mostly due to the internet. "Blogs" offer consumers an almost unlimited space for self-expression on the Internet (Kozinets, 2006).

Haute Couture pieces, designer apparels (Ready-to-Wear), handbags, shoes, fragrance, watches and jewellery are the few items of luxury fashion as they cost a fortune to own. Luxury fashions are expensive due to the brand name, exclusivity, quality, craftsmanship and authenticity. A blind test is conducted, wearing a Nike on one foot and Asadi on the other, one would hardly tell the difference between the two. But as the eyes open, it makes a big difference due to the brand value. Phau and Prendergast (2000) stated that luxury is a subjective. Therefore, luxury brands compete based on the ability to evoke exclusivity, brand identity, brand awareness, and perceived quality from the consumer's perspective. Luxury must be visible even though it is intangible, it is ought to be seen by others. Thus, luxury designer brands make their logo, signs, and emblems detectable.

According to Chadha (2010), in Tokyo, 94% of women in their 20's own a Louis Vuitton bag. Hong Kong boasts more Gucci and Hermes stores than Paris. In the last two decades a "luxeplosion" has been rocking Asia, carrying in its sweep not just the wealthy but also secretaries toting their Burberry bags, junior executives sporting Rolex watches, and university students strutting in Salvatore Ferragamo shoes. Luxury brands have become an everyday reality for millions of Asians - cutting across countries and income segments. Even in Malaysia, working adults and even teenagers

toting luxury bags to work, social events, or even just strolling around shopping malls. Generation Y are more fashion conscious than their parents.

According to many articles in WWD, a fashion industry trade publication, handbags have become one of the most important accessories, driving the fashion industry. No matter how you are dressed, a bag is a statement where it really shows off who you really are. (Women's Wear Daily, 2007). Generation Y are more conscious about their appearance in the sense of style and how they want to be identified as, especially Asians. In Asia, you are what you wear. They believe that carrying around a luxury bag will give a good impression and stating their social class.

1.1 Background of Study

Symbolic consumption is the process when individuals by using status goods as symbols communicate meaning about themselves to their reference groups (Veblen, 1899). Luxury items such as designer handbag is one of the symbolic consumption goods that have high relation with high quality, exclusive, high price and social status. Casidy (2012) stated that Generation Y consumers' shopping behaviour suggested that personality traits perform an important role in affecting people's attitude toward prestige fashion brands. Nelson and Devanathan (2005) mentions brand consciousness like materialism, is not the same for everyone and should be regarded as an individual difference variable. Consumers who are brand conscious tend to purchase expensive, popular, and heavily marketed brand products in order to portray their fashion conscious, express personality, and reduce risk in purchase decisions (Liao and Wang, 2009).

Companies convey the image of their products to consumers through brand names in hopes that consumers will develop the same appreciation and regards for the brand that the company does (Palumbo and Herbig, 2000). Brands add a certain level of value to a product through its familiarity, reliability, and risk reduction (Palumbo and Herbig, 2000). This will lead to brand loyalty as consumers choose to purchase the same brand over others repeatedly. For instance, Louis Vuitton; people are crazy and obsess with their handbags due to the brand itself and what the brand offered.

Generation Y has had exposure to high technology and economic independence since their upbringing days, as a result of which their preference has always been spending on technology goods and brands perceived to have quality and class (McCrindle, 2007). Compared with their older generation the priority of Generation Y is not to have an investment plan, saving money for a house deposit for example; they would rather spend their surplus savings on luxury products and enjoy their life (Liang, 2005).

From the self-concept perspective, this study advances the existing theoretical understanding of luxury purchase intention by focusing on generation Y. Findings from this study will provide practical consumer insight into those consumers and the complex set of personal influences that motivate their desires for luxury handbags. Generation Y is going to reach their 40's anytime soon. Therefore, this study will focus on their luxury fashion

purchase intention; specifically, designer handbags. The study is narrowed down to investigate on what influence Generation Y personality traits against brand equity and how brand equity affect Generation Y luxury fashion behaviour such as consumption motivations and purchase intention.

1.2 Research Problem

According to Tatt (2010) with the expanding business of luxury market, as reported in The Star newspaper, that global luxury demand is expected to be worth US$880mil in 2010 citing based on Boston Consulting Group's outlook (The Star, 2009) it's important to understand on consumer behaviour in buying luxury branded goods. One of the top ten activities for Malaysia Year of Festival 2015 is luxury shopping as Malaysia is home to some of the most prestigious brands in the world of fashion and fashion accessories. Kuala Lumpur was ranked as the 4th shopping destination in the world by CNN Travels in 2012, beating big cities such as Paris, Madrid, Hong Kong, Buenos Aires, Vienna and Dubai. This also shows that luxury shopping is emerging in Malaysia.

The amount of consumption of luxury handbags increased gradually since brands are seen as status symbols, further research is done due to this extraordinary phenomenon. According to Grotts & Johnson (2012) new trend has emerged within the handbag industry due to the consumer demand for status-laden products. Numbers of handbag rental web sites are increasing due to the price of luxury handbags. Consumers who are on a tight budget can rent a bag for a period of time they desire.

A cross cultural research to compare the different countries Generation Y"s motives for luxury consumption is also suggested for further studies, research on this topic would help readers to have a better understanding of what culture can influence consumers purchase decision. Moreover, further study on other developing Asian economies such as Malaysia is also needed. Would Malaysian spend their money on luxury goods and where will they spent their disposable income? This would allow researchers to gain a more accurate perception of luxury amongst these diverse consumers and lead to better understanding of consumers in this region.

This study attempts to understand how brand judgements and emotional responses will influence the purchase intentions of consumers towards luxury handbags produced by well-recognised fashion houses. The findings will benefit large fashion conglomerates that have utilised their brand status as a way of increasing market share by tapping into consumers' desire for rarity and uniqueness. This will allow these brands to enter the mind

set of status and non-status consumers and understand what is involved in the purchase decision-making process.

Due to the rapid increase in spending on luxury fashion branded products by young consumers, it is necessary for luxury brands to understand what motivates these individuals towards their purchasing, thus to communicate with them more effectively. The purpose of this study is to investigate Generation Y members' consumption for luxury designer handbags for which mere use or display of particular branded products brings prestige to owners, apart from any functional utility. Handbags have been selected as the focus of this research because they are consumed visibly by individuals and have the ability to be used for higher-level needs such as conveying self-image, investment items, and self-reward.

1.3 Research Objectives

This study intends to find out if Generation Y purchase intention is influenced by factors such as financial value, functional value, individual value, and social value associated with the consumption of luxury brand. The research objectives of this study are as follows:

1. To examining the critical dimensions of Generation Y purchase intention of luxury branded handbags.

2. To determine the relationship between the dimensions of Generation Y intention to buy luxury designer handbags and brand equity.

3. To examine the strength of relationship between purchase intention of luxury handbags and brand equity.

1.4 Research Questions

The purposes of this study are to evaluate how branding and its branding strategy are impacting on consumer buying behaviour. In evaluating the statement, this study attempts to answer the following questions:

1. What is the relationship between Generation Y purchasing luxury branded handbags and financial value?

2. What is the relationship between Generation Y acquiring luxury designer handbags and functional value?

3. What is the relationship between Generation Y buying luxury handbags and individual value?

4. What is the relationship between Generation Y purchasing luxury designer handbags and social value?

2.0 LITERATURE REVIEW

2.1 Generation Y

Generation Y also known as Millennials is the generation later after the generation X. Generation Y refers to young adult consumers, Generation Y is a demographic group that has been categorized as born between 1980 and 1994 (McCrindle, 2008). This generation has had exposure to high technology and economic independence since their upbringing days, as a result of which their preference has always been spending on technology goods and brands perceived to have quality and class (McCrindle, 2007). In 2011 alone, Generation Y consumers' spending on luxury fashion goods increased 33% from the previous year (Hutzler, 2012). These "newcomers" do not fall into the traditional wealthy income segment; they start purchasing luxury at a younger age compared to their parents (Jay, 2012).

Generation Y consumers tend to have a high level of self-esteem (Logan, 2008). But, at the same time, Generation Y consumers are individuals with high public self-consciousness who tend to make purchasing decisions based on the influence and opinions of their peers (Fernandez, 2009). Compared to their parents' generation, Generation Y consumers are still in the process of building self-identity and accordingly display unique characteristics such as high public self-consciousness and brand consciousness (Eastman and Liu, 2012; Gurau, 2012). Therefore, through exploring the self-concept related personality traits, brand consciousness and luxury consumption motivations of the Generation Y consumers; it is the goal for this current research to bring an insight to the new growing market segment of the luxury fashion market.

2.2 Luxury Handbags

Luxury item is not necessary for a living, but it is highly-desired within a society. In order to own luxury item, one must have high disposable income. This is due to finance a luxury item is directly proportionate to individual's income or assets.

A handbag is a small bag carried especially by a woman. The primary function of a bag is basically to carry personal belongings such as wallets, mobile phones, make-ups, etc. How does a bag different from a luxury handbag? Previously, a research has been done by Froehlicher in 2013 where luxury handbags are centered around the core ideas of social status, highly priced, branded, high quality, timeless, aesthetics, and perception of superiority. Consumers buy and carry designer handbags due to wealth, personal statement, taste and social class.

Multiple brands globally come out with various designs of handbags. According to Thomas (2007), luxury handbags are the engine that drives luxury brands today. Hermes Birkin, Channel 2.55, and Fendi Peekaboo are among the luxury bags that are iconic and timeless. Luxury handbags are often seen as thoughtless purchase and the investment of money in them is questioned. They are no longer considered only as a fashion statement or an eye candy.

The market of high-end luxury handbags is extremely competitive and Coach Inc is leading the US luxury handbag market. They have competitors such as Louis Vuitton, Prada, Gucci, Hérmes, Chanel and Burberry.

2.3 Financial Value

Luxury bags represent an extensive price range depending on the brand name, Coach to Hermes. A Coach bag may cost around MYR500 to MYR2000 while a Hermes Birkin would cost MYR30,000 depending on the colour, hardware fixtures, and skin. Prestige pricing-setting a rather high price to suggest high quality or status (McCarthy & Perreault, 1987) - may make certain products or services more desirable (Groth & McDaniel,1993)

Some bags may not be easily found in stores. Interested buyers sometimes have to go through a waiting list in order to get a Birkin bag. This has pushed the envelope further as not everyone can own and buy one. These designer bags not only represent wealth and identity but also hold financial value. The price escalates with time; vintage bags can be sold at a high price especially limited ones. According to Grotts & Johnson (2012), the average price for luxury handbags increases from $600 to $10,000 in a four-year time span.

Oil paintings, 18th century French Bordeaux, Faberge eggs, coin collections, Louis Vuitton Luggage and Hermès bags are alternative assets, which are called high-ticket pieces in the world of finance and investment (Misner, McDonald, 2011). Some buyers see this opportunity as a great investment. So they sought for more designer bags that hold great value especially iconic bags with exotic skins and timeless design such as Chanel 2.55, Fendi Baguette, Hermes Birkin, and Hermes Kelly. There are few personal shoppers out there bought a Birkin and sell them to individual for a ridiculous price. The price may doubled, even tripled or quadrupled yet again, depending on the skin, size, colour, and hardware fixture. Some buyers bid in order to own one due to scarcity. Misner and McDonald (2011) point out that fabric and canvas handbags will never be qualified as long-term investments. The material should be leather, which develops a patina through the years.

Misner and McDonald (2011) also recommend to opt for the big named brands when choosing an investment handbag. Hermes, Chanel, Louis Vuitton, Fendi, Balenciaga and Prada are among the top brands that has resale value for their iconic bags. These designer bags also include ongoing service after purchase such as a lifetime warranty or free repair work if the bag purchased is damaged or need professional cleaning.

2.4 Functional Value

Luxury bags hold functional value where they are perceived to be functionally better in the sense of usability, quality and uniqueness. The guarantee function, understanding by this the promise or guarantee of quality, is based on the appraisal that the brand is reliable, efficiently carries out its performance qualities and meets the generated expectations. Similarly, it is fitting to associate this function with the perception that the brand is linked to products with a suitable level of performance and is concerned about conveniently satisfying consumer needs, contributing variety and innovation (Belen del Rio et al, 2001). Basically, a product is designed to carry out certain purpose, usually to satisfy consumer needs. Usability represents the function of the bag depending on the purpose of buying. Some people buy luxury bags to go to work and carry documents, others may purchase them for traveling like a big Louis Vuitton duffle bag.

Wiedmann, Hennings & Siebels (2009) explain that luxury goods are those that have a high ratio of price to quality. When it comes to luxury bags, it always gives the impression of high quality bag. Luxury designer bags are made to last long and durable. Different bags have different quality depending on the stitching and material used. Each and every Hermes Birkin is hand sewn, and passed through different artisan in order to finish. Material used should not possess aesthetic value but also superior quality to ensure longevity. Gentry et al. (2001) found that one reason consumers buy luxury brands is because of the superior quality reflected in the brand name. According to Gobe (2010), brand logos can be very memorable and provide a variety of appreciated meanings as it does not act as a communication tool but also act as a symbol which represents luxury brand ideas which is consistent with consumer perceptions.

Uniqueness is based on the assumption, demonstrated in research,that the perceived exclusivity and rareness of the product enhances a consumer's desire or preference for it (Verhallen,1982;Lynn,1991;Pantzalis, 1995). Product uniqueness is one of the critical features in developing a brand's characteristics and the image sending to the consumers. The rarer or more unique a brand is, the more value it symbolizes, at least in consumer's perception (Sun, 2011). Kisabaka (2001, quoted in Heine, 2012) states that "luxury products are by definition not ordinary, but rather a rarity".

2.5 Individual Value

According to Danziger (2005), individual value represents the aspect of consumer's personal point of reference towards luxury consumption as well as addressing personal value. This dimension also includes self-identity, materialistic, and hedonic value.

Sometimes, a bag is not used to carry personal belongings but also works as an accessory which is basically to express one's feelings or identity. According to Rozenberg (1979), self-concept can be defined as individual thoughts and feelings having references to him or her as an object. Puntoni (2001) confirmed the significant impact of self-congruity on luxury brand purchases. From this point of view, consumers may use luxury items to integrate symbolic meaning into their own identity (Vigneron and Johnson, 2004).

Consumers might acquire luxury bags due to positive emotional experience when they purchase one. This usually happens to a group of people who enjoy shopping, also known as shopaholic. Emotional responses to luxury include aesthetic beauty, enjoyment and sensory pleasure (Wiedmann et al., 2009). Others may purchase luxury bags due to self-gifting behaviour such as rewards due to accomplishment or consolation for disappointment also known as retail therapy. Hence, hedonism describes the perceived subjective utility and intrinsically attractive properties acquired from the purchase and consumption of a luxury brand as arousing feelings and affective states received from personal rewards and fulfilment (Sheth, Newman, & Gross, 1991; Westbrook & Oliver, 1991).

Materialistic is a trait that is excessively concerned with material possessions or wealth. Brand consciousness refers to the mental orientation of consumers to purchase well-known brand-name products over other brands (Sproles and Kendall, 1986). Occasionally, consumers buy luxury bags due to status. When consumers have a high level of brand consciousness, they are likely to believe that brands are symbols of both status and prestige (Liao and Wang, 2009). According to Lim et al. (2012), in relation to purchasing luxury goods, it is common in Asian countries for younger consumers to own at least one luxury product by the age of 21 such as the classic bags of Longchamp, Prada, Coach, Christian Dior, Burberry and Louis Vuitton.

2.6 Social Value

Owning and carrying a MYR15,000 Chanel 2.55 flap bag around town will leave an impression to others. Possessions serve as a signal or source of communicating and portraying impressions of who they are and what their status or position is (Douglas & Isherwood, 1979; Belk, 1985). Designer bag is an arm candy and usually worn in public places or social events. In order to get notice and accepted by the society or known as the elite group, consumers buy these luxury handbags to impress them. Dubois and Duquesne (1993) studied that the reason of consuming luxury goods is primarily for their symbolic value. Mason (1981) views satisfaction resulting from conspicuous consumption as a being consequence of audience reaction to the wealth displayed by purchase and not from the actual qualities of the good or service.

2.7 Theoretical Framework

Independent Variable   **Dependent Variables**
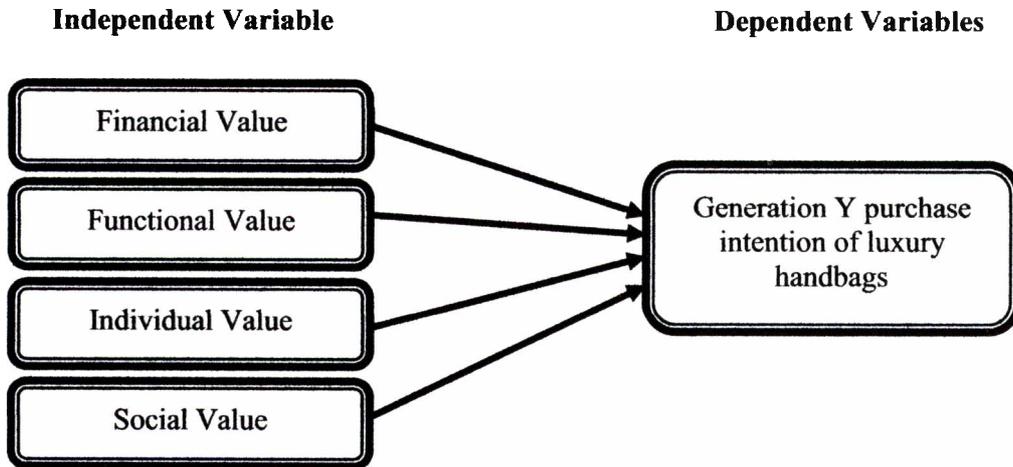
Adapted from Wiedmann, Hennigs, and Siebels (2009)

Figure 2.7: Research Conceptual Model

Basically, this research looks for empirical evidence that could be used to explain the relationship between the factors and purchasing of luxury brand handbags. Thus, a theoretical framework has been developed and formulated. The theoretical framework above represents on generation Y purchase intention of luxury handbags which consist of financial value, functional value, individual value, and social value. These are among the criteria that generation Y seeks when looking for or purchasing luxury designer handbags.

Based on the existing literature and research objectives, the following hypotheses were developed.

H1: There is a significant relationship between generation Y purchasing of luxury handbags and financial value.

H2: There is a significant relationship between generation Y purchasing of luxury handbags and functional value.

H3: There is a significant relationship between generation Y purchasing of luxury
handbags and individual value.

H4: There is a significant relationship between generation Y purchasing of luxury
handbags and social value.

3.0 METHODOLOGY

This chapter will explain about research design, data collection, sampling technique and procedure for analysis of data for the study. Survey will be used as a tool to collect data.

3.1 Research Design

The design of this research was leaned to a more descriptive research. A descriptive research design is usually associated with describing a set of population with respect of important variables (Monroe College Edu., 2013). Hence, a quantitative-based research has been designed in order to collect the data as survey forms will be distributed. This is in line with the aim of this research which is to investigate on the determinants of purchasing luxury handbags among the generation Y in Kuching. The criteria of a quantitative descriptive research design must clearly answer to the what, who, where, when, why and how questions in order to obtain information that fully describes the population based on given variables (Neuman, 2011).

Therefore, a quantitative based research which involves questionnaires was deemed the most reasonable method as it was cost saving and merely because it is impossible to capture the whole population. Hence, the idea was to make the sample size the best mini representation of the population which was done by implementing convenient sampling.

3.2 Data Collection

The data gathered in this study are obtained from the feedback of questionnaires while secondary data are from academic journals and articles. Data will be gathered through self-administrated questionnaires. It is the most appropriate means of collecting data because it is a good way to amass a lot of data quickly and ensure respondents anonymity.

3.2.1 Primary Data

For the purpose of this study, the primary data will be the main information gathered from respondents as the survey form is being distributed. Primary data is the data collected directly from first-hand experience. Different questionnaires from multiple sources are used to create the instrument of this research.

Dimension	Item	Sources
Financial Value	1. I buy luxury bags because they have resell value. 2. I purchase luxury bags as personal collection. 3. I buy luxury bags as investment pieces. 4. I buy luxury bags for business purposes. 5. I would rather spend more money on luxury bags.	Piiroinen (2014)
Functional Value	1. I tend to use luxury bags. 2. I don't like to buy bags that majority of people own. 3. Brand names tell me something about the quality of the bag. 4. Branded bags that cost a lot of money are good quality. 5. Better buy something expensive because it last.	Giovannini, Xu, & Thomas (2015) Wiedman, Hennings & Siebels (2009) Teimourpour (2013)

Individual Value	1. The luxury brands I buy must match what and who I really am. 2. My choice of luxury bag depends on whether they reflect how I see myself, but not how others see me. 3. Luxury bags have an effect on my self-confidence. 4. I pay attention to the brand names of the bags I buy. 5. Sometimes I am willing to pay more money for bags because of its brand name. 6. I want to reward myself with luxury bags after I have worked hard for something. 7. Luxury bag brings me self-satisfaction.	Giovannini, Xu, & Thomas (2015) Wiedman, Hennings & Siebels (2009) Teimourpour (2013)
Social Value	1. It says something to people around me when I buy a luxury bag. 2. Luxury bag shows to others that I am sophisticated. 3. I feel that I am a person of worth, at least on an equal plane with others.	Giovannini, Xu, & Thomas (2015)
Purchase Intention	1. I am likely to purchase different brands of luxury handbags. 2. I have a high intention to buy luxury branded handbags. 3. I purchase luxury bags due to the brand. 4. Buying luxury handbags generally benefits the customer. 5. I would acquire branded luxury handbags (eg: Prada) rather than ordinary branded handbags (eg: H&M, Esprit).	Hung & Chen (2011)

Table 3.2.1: Primary Data Sources

3.2.2 Secondary Data

The secondary data are gained from multiple academic research paper done previously such as academic journals, books, and articles which relates with the luxury product purchase intention and brand equity. According to Malhotra (2010), secondary data are collected for the purpose other than the problem at hand. Secondary data is the data that already gathered by past researcher which is published in journal articles and informational from a published author which might help a researcher to support the judgment on the research (Sekaran, 2003).

The sources of this research are retrieved from the university's active subscription online database like Emerald Insight, Ebsco Business Source, and Science Direct. Google Scholar also is one of the sources that eligible to find for secondary data for this study. Secondary data help to support in justifying the information facts unto the research as well as major references on solution into the research problems.

3.3 Sampling Design and Technique

To conduct this study, sample size and target respondent will be defined where the sample size number is selected and well explained. The respondent will be defined and will be explained. The sampling method also will be well explained in which to describe the sampling technique that can be chosen.

3.3.1 Target Population

The target population for this research is Generation Y. There is substantial debate regarding the boundaries of this generation. Literature defines the beginning of Generation Y as early as 1977 and as late as 1981 and ending as early as 1994 and as late as 2002 (Brown et. al. 2009). As per today, Millennials consumers are roughly in the age range of 13 – 38 years old. However, parts of the age range are still in school, college or university, whereby they may have limited income or tight budget, some of them may be supported by their parents, scholarship, or even side income such as part time jobs. Their participation in this research is not valid due to their behaviour in purchasing and intention to purchase a luxury bag may be differ from those who are in the workforce. Thus, the appropriate age range would be 20 – 38 years old. Apart from that, a balanced gender response is desired as not only women but also men seek to own a luxury bag.

3.3.2 Sample Size

According to the Department of Statistics Malaysia (2015), the total population for the age range of generation Y (20 – 38 years old) is 190,385 people. The number is further reduced by 4.4% due to the unemployment rate. Thus, only 182,008 candidates are valid for this research. By using the Raosoft sample size calculator, the recommended sample size for this figure is 384 respondents.

Sample size also being calculated with G-Power 3.1. The number of respondents depends on the number of independent variables. With four variables and the G-power of 0.8 (80%), the sample size is only 85 respondents. Roscoe (1975) suggested that sample size larger than 50 and less than 500 are appropriate for most studies.

3.3.3 Sampling Technique

For this research sampling method, non-probability is chosen instead of probability. According to Burn and Bush (2010), probability sampling method is mostly uses a random numbers, digit, selection, procedure, and random population that used in the research (Burn and Bush, 2010). The equal chance of selection is made when using the probability sampling method. This is not appropriate to use in the research because the research need a whole of respondent responses towards the questionnaire.

Non probability is chosen as a sampling method for this research because of the convenience and more systematic and accruable. According to Burn and Bush (2010) non probability sampling is selected by inherently biased selection process and also to reduce the cost of sampling. Non probability sampling is used on four different types of sampling which is convenience sampling, purposive sampling, referral sampling and quota sampling (Burn and Bush, 2010).

Convenience sampling is chosen for this research due to the units that are to be studied. This sampling technique is to focus on particular characteristics of a population that are of interest, which is the Generation Y. It is crucial to verify the respondents, make sure the facts meet the criteria for being in the sample.

3.4 Proposed Statistical Data Analysis

After assembling all the data collected, the data have transformed into useful information. Besides that, from the 384 copies of distributed questionnaires, only 200 completed questionnaires are returned and will be analysed. The findings from the questionnaires will be analysed using Statistical Package for Social Science (SPSS). Descriptive statistics will be use to obtain the frequency, percentage, mean, and standard deviation. Demographic information such as gender, age, marital status, education, etc will be analysed using percentage. The analyses examined in the study include; frequency analysis, descriptive analysis, correlation analysis, and regression analysis. A pilot test also been done on the questionnaire to check the reliability of the questions.

3.4.1 Pilot test

	Cronbach's Alpha	Cronbach's Alpha Based on Standardize Items	Number of Items
Overall	0.879	0.877	25
Financial Value	0.620	0.606	5
Functional Value	0.602	0.645	5
Individual Value	0.783	0.765	7
Social Value	0.804	0.805	3
Purchase Intention	0.685	0.701	5

Table 3.4.1: Pilot Test Results

A total of 30 respondents answered the questionnaire for this test. All the variables are tested in this analysis. Malhotra (2008) suggested that if the alpha coefficient is below 0.60, the variable is weak. When the cronbach's alpha is in the range of 0.60 to 0.80, the variables are considered as moderately reliable. The variable will be considered as very reliable when the cronbach's alpha is in the range on 0.80 to 1.00. Apart from that, Hunnally and Berustein(1994) stated that cronbach's alpha value must be at least 0.60 and above in order the variables to be reliable.

Based on the table above social and individual value have the biggest cronbach's alpha value with 0.804 and 0.783 respectively. As for functional and financial value, the cronbach's alpha are 0.602 and 0.620 accordingly. While the dependent variable, purchase intention has 0.685 cronbach's alpha value. And the overall cronbach's alpha is 0.879 which is very reliable. Thus, the pilot test is successful which means the questionnaires now can be distributed.

4.0 DATA ANALYSIS

4.1 FREQUENCY ANALYSIS

The questionnaires distributed consist of three sections. Section A represents the respondent's demographic profile such as Gender, Age, Race, Residence, Marital Status, Household, Education, Occupation, Income, Designer Bags Owned, and Favorite Handbag Brand. The Frequency Analysis results shown in the table below.

ITEMS		FREQUENCY	PERCENTAGE (%)
Gender	Male	88	44.0
	Female	112	56.0
	Total	200	100.0
Age (Years)	20 - 24	46	23.0
	25 - 29	64	32.0
	30 - 34	58	29.0
	35 - 38	32	16.0
	Total	200	100.0
Race	Malay	106	53.0
	Chinese	34	17.0
	Indian	6	3.0
	Iban	24	12.0
	Bidayuh	20	10.0
	Others	10	5.0
	Total	200	100.0
Residence	Urban	114	57.0
	Sub-urban	66	33.0
	Rural	20	10.0
	Total	200	100.0
Marital Status	Single	106	53.0
	Married	86	43.0
	Divorced	8	4.0
	Total	200	100.0
Household	< 2	104	52.0
	3 - 5	84	42.0
	6 - 8	10	5.0
	> 9	2	1.0
	Total	200	100.0
Education	SPM	18	9.0
	STPM	12	6.0
	A-Levels	4	2.0
	Diploma	54	27.0
	Bachelor	104	52.0
	Post Graduate	8	4.0
	Total	200	100.0

Occupation	Self-employed	44	22.0
	Freelance	24	12.0
	Public Sector	74	37.0
	Private Sector	58	29.0
	Total	200	100.0
Income (RM)	< 1000	14	7.0
	1001 - 2000	32	16.0
	2001 - 3000	54	27.0
	3001 - 4000	62	31.0
	> 4000	38	19.0
	Total	200	100.0
Bags Owned (Unit)	None	52	26.0
	1 - 2	82	41.0
	3 - 4	40	20.0
	5 - 6	8	4.0
	> 7	18	9.0
	Total	200	100.0
Fav Brand	Louis Vuitton	34	17.0
	Chanel	24	12.0
	Prada	12	6.0
	Gucci	20	10.0
	Coach	18	9.0
	Michael Kors	18	9.0
	Kate Spade	4	2.0
	MCQ	2	1.0
	Goyard	2	1.0
	Ralph Lauren	2	1.0
	Fendi	6	3.0
	Christian Dior	4	2.0
	Celine	4	2.0
	Braun Buffel	2	1.0
	Hermes	6	3.0
	Givenchy	6	3.0
	Mansur Gravriel	2	1.0
	Balenciaga	16	8.0
	Philip Lim	2	1.0
	Burberry	2	1.0
	Vivienne Westwood	2	1.0
	YSL	6	3.0
	Alexander Wang	2	1.0
	CK	2	1.0
	Lanvin	2	1.0
	Total	200	100.0

Table 4.1.1: Demographic Profile

Table above explains the demographic profile whereby a total of 200 respondents took part in this research. 44% of the respondents are male and the other 56% are female respondents. Since the research is focusing on Generation Y, the age range must fall in between 20 to 38 years old. From the 200 questionnaires collected; 23% of the respondents are 20 to 24 years old, 32% are in the range of 25 to 30 years old, while 29% respondents represent the age 31 to 35 years, and only 16% are 36 to 38 years old.

Most of the respondents are Malay consisting of 53%, 17% are Chinese, 3% are Indian, 12% Iban, 10% Bidayuh and the other 5% are from other races such as Bisayak and Kayan took part in the survey. As for residence, 57% of the total respondents lived in Urban area, 33% are from sub-urban area, and 10% from rural area. 53% single individual answered the questionnaires, while 43% are married and 4% are divorced.

Since most of the respondents are single individuals, the amount of household for 2 and below is the highest with 52%. While 42% have 3 to 5 unit household, 5% have 6 to 8 unit household, and only 1% have 9 and above household units. As for education level, 9% are SPM leavers, 6% are STPM leavers, 2% are A-Levels leavers, 27% of the total respondents have Diploma, 52% are Degree holders and 4% are Post Graduates. Most of the respondents are working in the public sector with 37%, while 29% works in the private sector, 22% are self-employed and 12% are freelancer.

Income plays important part here due to buying luxury handbags, one must posses high disposable income. 31% of respondents receive MYR 3001 to MYR 4000 per month, 27% with MYR 2001 to MYR 3000 every month, 19% receive more than MYR 4000 monthly, 16% with MYR 1001 to MYR 2000 per month, and 7% receive MYR 1000 and below monthly.

40% of the respondents owned 1 or 2 designer handbag, while 26% of them does not own any, 20% owned 3 or 4 bags, 4% owned 5 or 6 luxury bags, and 9% owned more than 6 branded bags. The most popular brand is Louis Vuitton with 17% respondents named Louis Vuitton as their favourite brand. As for the others, 12% favors Chanel, 10% likes Gucci, both Michael Kors and Coach got 9% each, 8% prefers Balenciaga, and 6 % loves Prada.

4.2 DESCRIPTIVE ANALYSIS

RO1: Examining the critical dimensions of Generation Y purchase intention of luxury branded handbags.

INDEPENDENT VARIABLES	MEAN	STD. DEVIATION
Mean Financial Value	3.3560	0.75586
Mean Functional Value	3.8560	0.65099
Mean Individual Value	3.7500	0.71533
Mean Social Value	3.4100	0.85701

Table 4.2: Descriptive Analysis Results

In Section B and C of the questionnaires, respondents were asked to rate the statements based on the scale given; 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

The table above shows the mean of each and every independent variables. Basically, the standard deviation is quite small ranging from 0.65 to 0.85 which represent the data are dispersed and closely distributed to the mean. Among all the independent variables, Functional Value holds the highest mean with 3.8560 and lowest standard deviation of 0.65099. Most respondents agreed that functional value of the handbag makes consumer buys them. Thus, **Functional Value** is the critical dimension of Generation Y purchase intention of luxury branded handbags.

4.3 CORRELATION ANALYSIS

RO2: Determining the relationship between the dimensions of Generation Y intention to buy luxury designer handbags and brand equity.

		Mean Financial Value	Mean Functional Value	Mean Individual Value	Mean Social Value
Mean Purchase Intention	Pearson Correlation	0.646	0.580	0.707	0.564
	Sig.	0.000	0.000	0.000	0.000
n = 200	Weak relationship 0.4 ≤ r ≤ 0.85 Strong Relationship				
Significant, p < 0.05	**Correlation is significant at the 0.01 level (2-tailed).				

Table 4.3: Correlation Analysis Results

Cohen (1988) stated that when r = 0.10 to 0.29 the relationship strength is low, while if r = 0.30 to 0.49 there is a medium relationship, and lastly if the r value in the range of 0.50 to 1.0, then the strength of relationship is high.

Throughout the study, Pearson correlation individual value shows that there is a strong positive relationship between individual value and purchase intention with r = 0.707. As for social value and purchase intention, both have quite strong and positive relations towards purchase intention. While financial value holds a strong positive relationship against purchase intention with Pearson correlation, r = 0.646.

Based on the table above, there is a positive relationship between purchase intention and the independent variables; financial value, functional value, individual value, and social value due to the absent of negative sign. All of the Pearson correlation values are in the range of 0.50 to 0.10 which means the relationship is quite strong. The results shown that there is a **significant relationship** between the dimension of generation Y intention to buy luxury designer handbags and brand equity. Thus, all hypothesis are accepted.

4.4 REGRESSION ANALYSIS

RO3: Examine strength of relationship between purchase intention of luxury handbags and brand equity.

Model	Predictors (Constant)	R^2	B	Sig.
1	Mean Financial Value	0.626	0.289	0.000
	Mean Functional Value		0.141	0.042
	Mean Individual Value		0.358	0.000
	Mean Social Value		0.200	0.000
a. Dependent Variable: Mean Purchasing Intention				

Table 4.4: Regression Analysis

This analysis analyze relationship between variables, whether the independent variables affects the dependent variable. Table above explain how strong the independent variables; financial value, functional value, individual value, and social value are explained to the effect of purchase intention.

The value of R^2 is 0.626 which means 62.6% of the the variation in purchase intention are explained by the independent variables. While the remaining 37.4% is explained by other factors such as purchase experience, the origin of the bag and others. Among all the independent variables, individual value holds the strongest association with the purchase intention with the Beta score, B of 0.358.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

Basically this study is conducted due to the expanding business of luxury market as the demand for luxury goods are increasing globally. The amount of consumption of luxury handbags increased gradually since brands are seen as status symbols, further research is done due to this extraordinary phenomenon. Luxury shopping is emerging in Malaysia. Kuala Lumpur was ranked as the 4th shopping destination in the world by CNN Travels in 2012, beating big cities such as Paris, Madrid, Hong Kong, Buenos Aires, Vienna and Dubai. Nowadays, Malaysians are seen toting designer bags everywhere regardless whether it is genuine or not.

Would Malaysian spend their money on luxury goods and where will they spent their disposable income? This would allow researchers to gain a more accurate perception of luxury amongst these diverse consumers and lead to better understanding of consumers in this region. According to Grotts & Johnson (2013) new trend has emerged within the handbag industry due to the consumer demand for status-laden products. It is necessary for luxury brands to understand what motivates these individuals towards their purchasing, thus to communicate with them more effectively. It is important to understand on consumer behaviour in buying luxury branded goods.

The target population for this research is Generation Y who are in the working force. Pilot test was done on the sample size of 30 respondents and all the variables' cronbach's alpha is more than 0.60 which mean all the variable are reliable. Then, a total of 384 questionnaires were distributed among the target population, but only 200 survey questions were given back and can be used to analyze. Roscoe (1975) suggested that sample size larger than 50 and less than 500 are appropriate for most studies.

Throughout the studies, most of the respondents are female who lived in the urban area due to the fact that modern women constantly acquiring designer handbags rather than men. More than half of the respondents are single and have two or less household units with at least MYR 2000 to MYR 4000 income per month. Mostly the respondents are working in the public sector and bachelor graduates. These people may owned 1 or 2 designer handbags regardless of it authenticity. It seems that Louis Vuitton is the most favourite handbag brand by the respondents.

In order to achieve the research objectives, descriptive analysis was conducted to examine the critical dimensions of Generation Y purchase intention of luxury branded handbags and the result shows that Functional Value is the critical dimension as it has the highest mean value. In order to determine the relationship between the dimensions of Generation Y intention to buy luxury designer handbags and brand equity, correlation analysis was done. All of the Pearson correlation value shows that there is a significant relationship between the variables. Thus, all hypothesis are accepted. Regression analysis was done to examine the strength of relationship between purchase intention of luxury handbags and brand equity. And it can be seen in that among the independent variables, individual value holds the strongest association with the purchase intention.

5.2 LIMITATIONS OF STUDY

Basically, the findings in this research will contribute to the consumer behaviour field and luxury fashion market. In any research study, numbers of limitations will exist within the context of this research.

First and foremost, the sample size of this study. Out of all the generation Y who is in the workforce in Kuching area, only 200 respondents were used to represent the population. This sample size may not representing the population due to the possible incompleteness of respondents and non-response bias. Apart from that, there is also time constrain for data collection.

Another limitation is that luxury can be very subjective. Other aspects such as customer service and store ambiance may be experienced by the generation Y during purchasing luxury handbags. These purchase experiences were not included in the research.

5.3 RECOMMENDATIONS

Different luxury consumer may have different value orientations and brand preferences that may satisfy their emotional and cognitive needs. Based on the results, functional value such as brand names, quality, and exclusivity are important to meet superior standards such as signals of wealth, power and status. To others, luxury handbags may be serve as investment items or work as accessories to express individual self. The view of luxury value lies in financial, functional, individual and social aspects and can be broadened as better understanding of conditions and drivers of luxury goods are recognized.

In order to elicit more sales of luxury handbags among generation Y, marketers may be able to base their strategies on this model with regards to financial, functional, individual and social value dimensions. This might help to improve efficiency of marketing efforts for luxury goods.

Consumers in other countries may buy, or intend to buy luxury handbags for many reasons but they possess similar values and regardless of the country of origin, the basic drivers are expected to be the same - among the financial, functional, individual, and social values.

As explained by the correlation analysis, 62.6% of the the variation in purchase intention are explained by the independent variables. A cross-cultural research with the collaboration among researchers from different places should be done to identify other drivers such as purchase experience, handbags' country of origin, and history of a bag . And if a bigger sample size is covered and the data collection period was longer, the respondents of this study can be improved.

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Section C:
Mark the appropriate answer by checking all the boxes below based on the scale given.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

In terms of **Purchase Intention**...		1	2	3	4	5
1	I am likely to purchase different brands of luxury handbags.					
2	I have a high intention to buy luxury branded handbags.					
3	I purchase luxury bags due to the brand.					
4	Buying luxury handbags generally benefits the consumer.					
5	I would acquire branded luxury handbags (eg: Prada) rather than ordinary branded handbags (eg: H&M, Esprit).					

THANK YOU.

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Salam 1 Malaysia to all respondents.

I am conducting a research on **Determinants of Purchasing Luxury Handbags among the Generation Y**. Your responds are vital in helping researcher to develop further understanding on this matter.

Please kindly answer ALL questions. It should not take more than 10 minutes to complete this questionnaire. Your feedback will be treated strictly confidential and will be analyzed in the aggregate only.

The data and results will be reported in summary format in order to make sure no person will be identifiable. I will not keep a record of your details on the completed survey.

Thank you for taking your time to complete the questionnaire.

Ahmed Sadeeq Shafiee (+6013-303 8583)

Section A: Demographic Profile
Please tick (/) an appropriate answer.

1. Gender: Male ☐ Female ☐	**2. Age (years):** 20 – 24 ☐ 25 – 29 ☐ 30 – 34 ☐ 35 – 38 ☐ 39 and above ☐	**3. Race:** Malay ☐ Chinese ☐ Indian ☐ Iban ☐ Bidayuh ☐ Others: _____
4. Residence: Urban ☐ Sub-urban ☐ Rural ☐		
5. Marital Status: Single ☐ Married ☐ Divorced ☐ Widowed ☐	**6. Household:** 2 and below ☐ 3 – 5 ☐ 6 – 8 ☐ 9 and above ☐	**7. Education:** SPM ☐ STPM ☐ A-Levels ☐ Diploma ☐ Bachelor ☐ Post Graduate ☐ PHD ☐
8. Occupation: Self-Employed ☐ Freelance ☐ Public Sector ☐ Private Sector ☐	**9. Income (RM):** 1000 or below ☐ 1001 – 2000 ☐ 2000 - 3000 ☐ 3001 - 4000 ☐ Above 4000 ☐	**10. Designer Bags Owned:** None ☐ 1 – 2 ☐ 3 – 4 ☐ 5 – 6 ☐ 7 or more ☐
11. Favourite Handbag Brand: (Please specify) _____		

Section B:
Mark the appropriate answer by checking all the boxes below based on the scale given.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

In terms of **Financial Value**...	1	2	3	4	5
1	I buy luxury bags because they have resell value.					
2	I purchase luxury bags as personal collection.					
3	I buy luxury bags as investment pieces.					
4	I buy luxury bags for business purposes.					
5	I would rather spend more money on luxury bags.					

In terms of **Functional Value**...	1	2	3	4	5
1	I tend to use luxury bags.					
2	I don't like to buy bags that majority of people own.					
3	Brand names tell me something about the quality of the bag.					
4	Branded bags that cost a lot of money are good quality.					
5	Better buy something expensive because it last.					

In terms of **Individual Value**...	1	2	3	4	5
1	The luxury brands I buy must match what and who I really am.					
2	My choice of luxury bag depends on whether they reflect how I see myself, but not how others see me.					
3	Luxury bags have an effect on my self-confidence.					
4	I pay attention to the brand names of the bags I buy.					
5	Sometimes I am willing to pay more money for bags because of its brand name.					
6	I want to reward myself with luxury bags after I have worked hard for something.					
7	Luxury bag brings me self-satisfaction.					

In terms of **Social Value**...	1	2	3	4	5
1	It says something to people around me when I buy a luxury bag.					
2	Luxury bag shows to others that I am sophisticated.					
3	I feel that I am a person of worth, at least on an equal plane with others.					