



CONSUMER PURCHASE INTENTION TOWARDS LUXURY
HANDBAG BRAND: IN THE CASE OF COACH HANDBAG BRAND

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ABSTRACT

This research aims to investigate the consumer purchase intention towards luxury handbag brand (in the case of Coach Handbag) among visitors within Suria Sabah Shopping Complex Kota Kinabalu area. Consumer purchase intention towards luxury handbag dimensions namely financial value, functional value, social value and individual value which are the independent variables. The dependent variable is consumer purchase intention towards luxury handbag brand. Each of the dimensions was tested to see its relationship with the consumer purchase intention towards luxury handbag brand. The objectives of this study are, first, to identify whether financial value affect consumer's purchase intention towards luxury handbag brand. Second objective is to identify whether functional value affect consumer's purchase intention towards luxury handbag brand. Third objective is to identify whether social value affect consumer's purchase intention towards luxury handbag brand. And fourth objective is to identify whether individual value affect consumer's purchase intention towards luxury handbag brand. Questionnaire were distributed to 218 respondents came from various background and all of them were working adults in Kota Kinabalu area. Four hypotheses were being tested using Statistical Package for Social Science (SPSS) Version 21.0. The findings indicated that functional value has the highest significant relationship to consumer purchase intention towards luxury handbag brand (in the case of Coach Handbag). It represents the superior quality and excellent performance which is the product's core benefits. The buyer believes that the superior quality and performance of the luxury handbags is performed by the premium price set which will be explained more. The implication of each variables and further suggestions for future research were identified and proposed.

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CHAPTER 1: INTRODUCTION

1.1 Background of the Study

In luxury handbag industry, Luxury marketers of Coach, Louis Vuitton, Chanel, Gucci, Prada and Hermès are among the top 10 most-searched for handbag brands globally, proving that European tradition rules in the eyes of luxury consumers based on the World Luxury Index Handbags report. According to Berthon et al. (2009), Han et al. (2010), and Nueno and Quelch (1998), carefully crafted, unique, and conspicuous is defined as a branded product in this study of luxury brand. In the book of *Luxury Retail Management Based on Chevalier and Gutsatz* (2012, page 6), Jean-Louis Dumas, former chairman of Hermès used to say “A luxury brand must respect three conditions:; luxury brand should select its customers and promote them as individual promotion agents; luxury brand should stamp beautiful objects and luxury brand should be able to decide freely and without any constraints what it wants to do.” Perceived premium quality, recognizable style, reputation, and/or limited accessibility are a result of the appeal of international luxury goods.

The characteristics of premium quality, recognizable style, reputation, and/or limited accessibility signify emotional, experiential, and/or symbolic values in the perceptions of the owners and others (Berthon et al., 2009; Chadha and Husband, 2007; Gardyn, 2002a; Jolson et al., 1981; Nueno and Quelch, 1998). Possessions of luxury brand help to shape the owner’s identity by bridging the inner self and external world because of these attributes (Belk, 1988; Jenkins, 2004). For instance, the wealthy consumers that wish to show economic power symbolically and who wish to mark their social status can be desirable by owning a luxury handbag, and for those consumers who less wealthy but aspiring consumers who want to signify