UNIVERSITI TEKNOLOGI MARA

EXAMINING THE FACTORS AND MODERATORS OF CONSUMERS' PURCHASE INTENTION TOWARDS LUXURY HANDBAG BRANDS

NURULSYAFIQAH BINTI OTHMAN

Thesis submitted in fulfillment of the requirements for the degree of Master of Science in Business Management

Faculty of Business Management

October 2019

ABSTRACT

This paper investigates consumers' purchase intentions towards luxury handbag brands. Specifically, price value, quality value, social value and individual value were used to predict consumers' intentions to purchase luxury handbag brands among Kota Kinabalu female consumers. Income and designation are the moderating variables in this study. 350 of Self-administered questionnaires were distributed to shoppers based on convenience sampling in selected major shopping malls in Kota Kinabalu, Sabah namely Imago shopping mall, Wisma Merdeka shopping mall, Suria Sabah shopping mall and One Borneo shopping mall. Smart Partial Least Squared (PLS) version 3.0, a Structural Equation Modeling (SEM) technique were used to analyze the data. All the independent variables were positively influence the consumers' purchase intention towards luxury handbag brands namely price value, quality value, social value and individual value. Contrary to the expectation, the moderating variables does not influence consumers' purchase intention towards luxury handbag brands. Results indicated individual value influences the most on Sabahan female consumers' purchase intention for luxury handbag brands. Implication of the study led into three perspectives namelv theoretical implications, methodological implications and practical implications.

ACKNOWLEDGEMENT

First and foremost, I thank the almighty Allah S.W.T for the strength bestowed upon me to complete this research.

I wish to express my deepest gratitude and appreciation to my research advisor, Dr. Nabila Azwa Ambad, my co-supervisor, Dr. Imelda Albert Gisip, Professor Sofiah Abdul Rahman, all the DRP panels and the postgraduate centres, Sabah and Shah Alam for their invaluable advice, guidance, and support that led to the completion of this research. I also would like to convey my utmost gratitude to my parents, Mr. Othman bin Bongkol and I am eternally thankful for their love, guidance, and sacrifices for me. Special thanks go to my brother and sister (Mohd Farhan and Nur Farah) for their understanding of my restricted time with them. My gratefulness is beyond words.

My earnest appreciation also goes to my husband, Mr. Faizal Bin Duai, who always cheers me up and stood by me through the good and challenging times. Last but not least, I wish to thank all the respondents and those who have contributed directly or indirectly to this completion of this research endeavour, especially for their endless support and motivation.

TABLE OF CONTENTS

CONFIRMATION BY PANEL OF EXAMINERS AUTHOR'S DECLARATION ABSTRACT ACKNOWLEDGEMENT TABLE OF CONTENTS								
				LIST OF TABLES LIST OF FIGURES				
				СНА	PTER (DNE: INTRODUCTION	1	
				1.1	Overv	iew of Chapter	1	
1.2	Background of the Study							
	1.2.1	The Availability of Luxury Handbag Brands in the Four Selected						
		Shopping Malls, the Consumer Behaviour and Household						
		Income in Kota Kinabalu, Sabah	3					
1.3	Proble	em Statement	10					
1.4	Research Questions		12					
1.5	Research Objectives		12					
1.6	Scope of the study		13					
1.7	Significance of the Study Research Questions		13					
1.8	Definitions of Key Terms		17					
	1.8.1	Luxury Handbag Brand	18					
	1.8.2	Price Value	18					
	1.8.3	Quality Value	18					
	1.8.4	Social Value	19					
	1.8.5	Individual Value	19					
1.9	Moderating Variables		20					
	1.9.1	Income	20					
	1.9.2	Designation	20					
1.10	Expected Outcomes		20					

CHAPTER TWO: LITERATURE REVIEW 22				
2.1	Overview			
2.2	Luxury Brands			
2.3	Luxury Brand Purchase Intention			
2.4	Theory of Planned Behaviour	28		
	2.4.1 Relationship between Theory of Planned Behaviour and			
	Independent Variables of the Current Study	29		
2.5	Independent Variables	30		
	2.5.1 Price Value	30		
	2.5.2 Quality Value	35		
	2.5.3 Social Value	39		
	2.5.4 Individual Value	48		
2.6	Moderating Variables	54		
	2.6.1 Income	55		
	2.6.2 Designation	58		
2.7	Conceptual Framework and List of Hypotheses	60		
	2.7.1 List of Hypotheses	62		
2.8	Summary of Chapter Two	63		
CHAI	CHAPTER THREE: RESEARCH METHODOLOGY			
3.1	Overview of Chapter Three	64		
3.2	The Research Process			
3.3	List of Hypotheses			
3.4	Source of Data			
3.5	Sampling			
	3.5.1 Population	67		
	3.5.2 Elements	67		
	3.5.3 Sample	68		
	3.5.4 Subjects	68		
3.6	Research Instruments	68		
	3.6.1 Questionnaire	69		

21