Factors Affecting the Purchase Intention of Luxury Products: A Study of Chinese Tourists in Thailand

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ARTICLE DETAILS

ABSTRACT

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Objective - This research is to study the purchase intention of Chinese tourists in Bangkok on the luxury perspective. So that the luxury manufacturers can realign their strategies to meet this geographical marketing shift, and their service offering to the buying behaviors of the consumer. **Methods** - In this research, quantitative method is applied. The Pearson Correlation Coefficient is used to evaluate the relationship between independent variables and purchase intention. **Results** - the price difference factors between Thailand and China were the most significant variables that influence the Chinese tourists to purchase luxury goods in Thailand.

Conclusion - the luxury purchase intention of Chinese tourists in Thailand is influenced by social value, functional value, personal value and tourism perceptions.

1. Introduction

Traditionally, luxury goods have been defined as goods for use or display that brings prestige to the owner, apart from any functional values (Grossman and Sharpiro, 1988). Thailand is the largest market of Southeast Asia for luxury goods (Luxurydaily, 2015). The sales are contributed by both Thai consumers and tourists. Among the tourists, Chinese tourism is the most important part (Bangkok Post, 2016). This paper aims to study the purchase intention of Chinese tourists in Thailand. So that the luxury manufacturers can realign their strategies to meet this geographical marketing shift and the buying behaviors of the consumer.

Literature Review

Luxury consumption consists of two main categories of reasons for luxury goods consumption: the external motivations and internal motivations. Firstly, luxury products are consumed to satisfy social positioning and status. In the second case, consumption involves more personal value. Consumers are affected by the internal factors. They tend to purchase luxury goods to create a self-image (Guido, 2011).

Under the development of tourism industry, tourism retailing is a fast-growing business with potentials. Toporowski (2015) propose that tourist shopping intention is influenced by impulsive purchase behavior, and experiential perceptions. Shukla (2012) identified that luxury consumption is influenced by three perspectives: Social value perception (conspicuousness and status values); Personal value perception (hedonism and materialism values); Functional value perception (uniqueness values and price-quality values). On the other hand, Meng and Xu (2012) proposed that when tourism shopping behavior is an impulsive behavior, it is influenced by: Product factors, personal factors and situation factors. Moreover, tourism shopping behavior is influenced by experiential factors as well.

The conceptual framework of this research is based on the previous study of Shukla (2012) and Meng and Xu (2012). However, according to the differentiation of the luxury price between China and Thailand market, the price factor in tourism context is also considerate in this study. Therefore, the conceptual framework of this study is proposed in Fig. 1.

Figure 1. The conceptual framework

H1₀: Conspicuous values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H2₀: Status values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H3₀: Uniqueness values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H4₀: Price-quality values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H5₀: Hedonism Values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H6₀: Materialism values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H7₀: Tourism situation factors do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

H8₀: Price difference factors do not significantly influence luxury purchase intention of Chinese tourists in Thailand.

Research Methodology

In this research, quantitative method is applied. The data collection was conducted on Chinese social online media. The respondents of the study

are the Chinese tourists in Thailand and has been to Thailand for tourism propose, and have purchase intention of luxury products. The respondents sample size of this research is 205 respondents. The Pearson Correlation Coefficient is used to evaluate the relationship between independent variables and purchase intention. Table 1 summarized the results:

Table 1 Summarized the results:

Independent Variables	Hypothesis	Results
Conspicuous Values	H10: Conspicuous values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.254**)
Status Values	H20: Status values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.207**)
Uniqueness Value	H30: Uniqueness values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.241**)
Price-quality Value	H40: Price-quality values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.148*)
Hedonism Value	H50: Hedonism Values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.321**)
Materialism Values	H60: Materialism values do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.169*)
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Tourism Situation Factors	H70: Tourism situation factors do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.146*)
Price Difference Factors	H80: Price difference factors do not significantly influence luxury purchase intention of Chinese tourists in Thailand.	Rejected (r=.371**)

Conclusion

To conclude, the luxury purchase intention of Chinese tourists in Thailand is influenced by social value, functional value, personal value and tourism perceptions. Among all the factors, the price difference factors between Thailand and China were the most significant variables that influence the Chinese tourists to purchase luxury goods in Thailand. Therefore, the decreasing of the price will be attractive for Chinese tourists to make purchase in Thailand. On the other hand, the hedonism values also proved to be important for Chinese tourists. Therefore, the luxury producers may consider adding hedonism factors during shopping process.

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