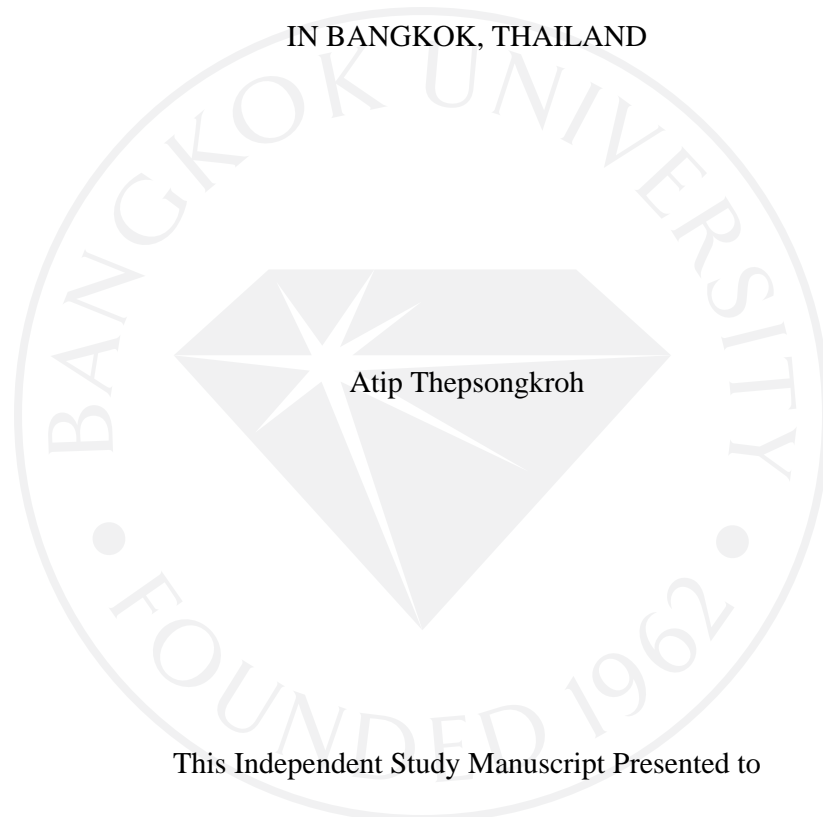


THE STUDY OF FACTORS THAT AFFECTING CONSUMER BUYING  
PREFERENCE TOWARDS TOP THREE LUXURY FASHION BRANDS  
INCLUDING CHANEL, LOUIS VUITTON AND PRADA  
IN BANGKOK, THAILAND



THE STUDY OF FACTORS THAT AFFECTING CONSUMER BUYING  
PREFERENCE TOWARDS TOP THREE LUXURY FASHION BRANDS  
INCLUDING CHANEL, LOUIS VUITTON AND PRADA  
IN BANGKOK, THAILAND



This Independent Study Manuscript Presented to  
The Graduate School of Bangkok University  
in Partial Fulfillment  
of the Requirements for the Degree  
Master of Business Administration

2017



© 2017

Atip Thepsongkroh

All Rights Reserved#

**This Independent Study has been approved by  
the Graduate School  
Bangkok University**

Title: THE STUDY OF FACTORS THAT AFFECTING CONSUMER BUYING  
PREFERENCE TOWARDS TOP THREE LUXURY FASHION BRANDS  
INCLUDING CHANEL, LOUIS VUITTON AND PRADA IN BANGKOK,  
THAILAND

Author: Mr. Atip Thepsongkroh

Independent Study Committee:

Advisor



(Dr. Sumas Wongsunopparat)

Field Specialist



(Asst. Prof. Dr. Lokweepun Suprawan)



(Dr. Sansanee Thebpanya)

Dean of the Graduate School

April 8, 2017

Thepsongkroh, A. M.B.A., March 2017, Graduate School, Bangkok University.

The Study of Factors that Affecting Consumer Buying Preference towards Top Three Luxury Fashion Brands Including Chanel, Louis Vuitton and Prada in Bangkok, Thailand (111 pp.)

Advisor: Sumas Wongsunopparat, Ph.D.

### **ABSTRACT**

Nowadays the world's changed, Brand name products are increasingly important for people in the society. As the luxury brand name stores has been expanded around Bangkok, which it's approved that people likely to use brand name products over non-brand products. Luxury goods use to group people in society; group who belongs and not belongs in the group, using them for an acceptance and represent the social faces. Question is what are the factors that influence people in making a decision to buy luxury brand name products. This paper proposes a framework of factors that affecting consumer brand preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada. This research is conducted to show the relationship between influential factors and consumer buying decision.

The research analysis based on 400 questionnaires, which collected since October 2016 until January 2017. The attendants are random population who experienced among these three brands and lived in Bangkok, Thailand.

According to the objective of this research, the researcher focuses on the result of the factors that affecting people to make a buying decision. The result has been gathered from the questionnaires done by people who know or experienced one of these three luxury fashion brands by study the relationship between brand equity, marketing mix (7Ps), social factors, consumer behavior and consumer brand preferences towards top three fashion luxury brands.

Lastly, marketers, business people, firms, developer, and Thai enterprises can understand more about consumer buying behavior, and to improve or adjust company marketing strategies to gain more competitors advantage and fulfill consumer's need.

*Keywords: Brand Preferences, Luxury Products, Brand Name, Chanel, Louis Vuitton, Prada, Bangkok*

## ACKNOWLEDGEMENT

To finish this independent study, there are many people involved in the process as well as motivated the author to make this academic work more fruitful.

First of all, I have to thank you my kindly advisor Dr.Sumas Wongsunopparat, who has guided and helped me through all the process. I will not be possible to finish this academic work on my own; I am really grateful and thankful for all the good experiences and valuable discussion I had.

Thank you my family, friends, and M.B.A Classmates for all the supported. The motivations and good energies I got from you guys during this time are very valuable and I very appreciate it. Thank you for being with me through the good and bad times. Thank you so much.

Lastly, I would like to thank you all of the respondents who spent their valuable time answering the questionnaire. Without your help this research could not be completed.

Atip Thepsongkroh

**TABLE OF CONTENTS**

|   | Page |
|---|------|
| ABSTRACT.....   | iv   |
| ACKNOWLEDGEMENT.....                                    | vi   |
| LIST OF TABLES.....                                     | xii  |
| LIST OF FIGURES.....                                    | xiii |
| CHAPTER 1 INTRODUCTION.....                             | 1    |
| 1.1 Background.....                                     | 1    |
| 1.2 Problem Statement.....                              | 3    |
| 1.3 Aims of the Study.....                              | 4    |
| 1.4 Research Objectives.....                            | 4    |
| 1.5 Research Questions.....                             | 5    |
| 1.6 Research Scopes.....                                | 5    |
| 1.6.1 Scope of Content.....                             | 5    |
| 1.6.2 Scope of Demographics, Samples and Location ..... | 5    |
| 1.6.3 Scope of Related Variables.....                   | 6    |
| 1.7 Limitations of Research.....                        | 8    |
| 1.8 Assumptions.....                                    | 9    |
| 1.9 Benefits of Research.....                           | 9    |
| CHAPTER 2 LITERATURE REVIEW.....                        | 10   |
| 2.1 Introduction.....                                   | 10   |
| 2.2 Luxury Fashion Brand.....                           | 10   |
| 2.2.1 Chanel.....                                       | 11   |
| 2.2.2 Louis Vuitton.....                                | 11   |



**TABLE OF CONTENTS (Continued)**

|  | Page |
|--|------|
| CHAPTER 2 LITERATURE REVIEW (Continued)..... | 12   |
| 2.2.3 Prada.....                             | 12   |
| 2.3 Consumer Preference.....                 | 13   |
| 2.4 The Theory of Purchasing Behavior.....   | 13   |
| 2.4.1 Problem Recognition.....               | 14   |
| 2.4.2 Information Search.....                | 15   |
| 2.4.3 Evaluation Alternatives.....           | 15   |
| 2.4.4 Purchase Decision.....                 | 15   |
| 2.4.5 Post-purchase Behavior.....            | 16   |
| 2.5 Maslow’s Hierarchy of Needs.....         | 16   |
| 2.6 Choice Theory.....                       | 18   |
| 2.7 Brand Choice Theory.....                 | 20   |
| 2.8 Brand Equity Theory.....                 | 20   |
| 2.8.1 Brand Logo.....                        | 21   |
| 2.8.2 Brand Awareness.....                   | 22   |
| 2.8.3 Brand Association.....                 | 22   |
| 2.8.4 Brand Identity.....                    | 24   |
| 2.8.5 Brand Image.....                       | 24   |
| 2.8.6 Brand Loyalty.....                     | 25   |
| 2.8.7 Perceived Quality.....                 | 25   |
| 2.8.8 Value.....                             | 26   |
| 2.9 Marketing Mix Theory (7Ps).....          | 27   |

**TABLE OF CONTENTS (Continued)**

|  | Page |
|--|------|
| CHAPTER 2 LITERATURE REVIEW (Continued)..... | 28   |
| 2.9.1 Product.....                           | 28   |
| 2.9.2 Price.....                             | 29   |
| 2.9.3 Place.....                             | 29   |
| 2.9.4 Promotion.....                         | 29   |
| 2.9.5 People.....                            | 30   |
| 2.9.6 Physical Evidence.....                 | 30   |
| 2.9.7 Process.....                           | 30   |
| 2.10 Social Factors.....                     | 31   |
| 2.10.1 Social Status.....                    | 31   |
| 2.10.2 Celebrities Influence.....            | 31   |
| 2.10.3 Social Media Influence.....           | 31   |
| 2.11 Utility Theory.....                     | 32   |
| 2.12 Research Framework.....                 | 33   |
| CHAPTER 3 METHODOLOGY.....                   | 37   |
| 3.1 Research Strategy.....                   | 37   |
| 3.2 Populations and Samples.....             | 37   |
| 3.3 Variables and Hypothesis.....            | 38   |
| 3.4 Survey Instruments.....                  | 40   |
| 3.5 Validity and Reliability Assessment..... | 47   |
| 3.5.1 Content Validity.....                  | 47   |
| 3.5.2 Reliability.....                       | 47   |

## TABLE OF CONTENTS (Continued)

|  | Page |
|--|------|
| CHAPTER 3 METHODOLOGY (Continued) .....  | 37   |
| 3.6 Data Collection.....   | 49   |
| 3.7 Statistic for Data Analysis.....   | 50   |
| CHAPTER 4 RESEARCH FINDINGS AND DATA ANALYSIS.....   | 52   |
| 4.1 The Analysis of Multinomial Logistic Regression Method to Explain<br>the Significant of Key Independent Variables for Hypothesis Testing<br>(7 Likert Scale).....  | 52   |
| 4.2 The Analysis of Multinomial Logistic Regression Method to Figure out<br>Significance of Element Mix of each Independent Variables Including<br>Brand Equity, Marketing Mix (7Ps), Social Factors, and Consumer<br>Lifestyle. (5 Likert Scale)..... | 56   |
| 4.2.1 Brand Equity.....  | 56   |
| 4.2.2 Social Factors.....  | 58   |
| 4.2.3 Product.....   | 59   |
| 4.2.4 Price.....   | 61   |
| 4.2.5 Place.....   | 62   |
| 4.2.6 Promotion.....   | 63   |
| 4.2.7 People.....  | 64   |
| 4.2.8 Physical Evidence.....   | 65   |
| 4.2.9 Process.....   | 66   |
| 4.2.10 Lifestyle.....  | 67   |

**TABLE OF CONTENTS (Continued)**

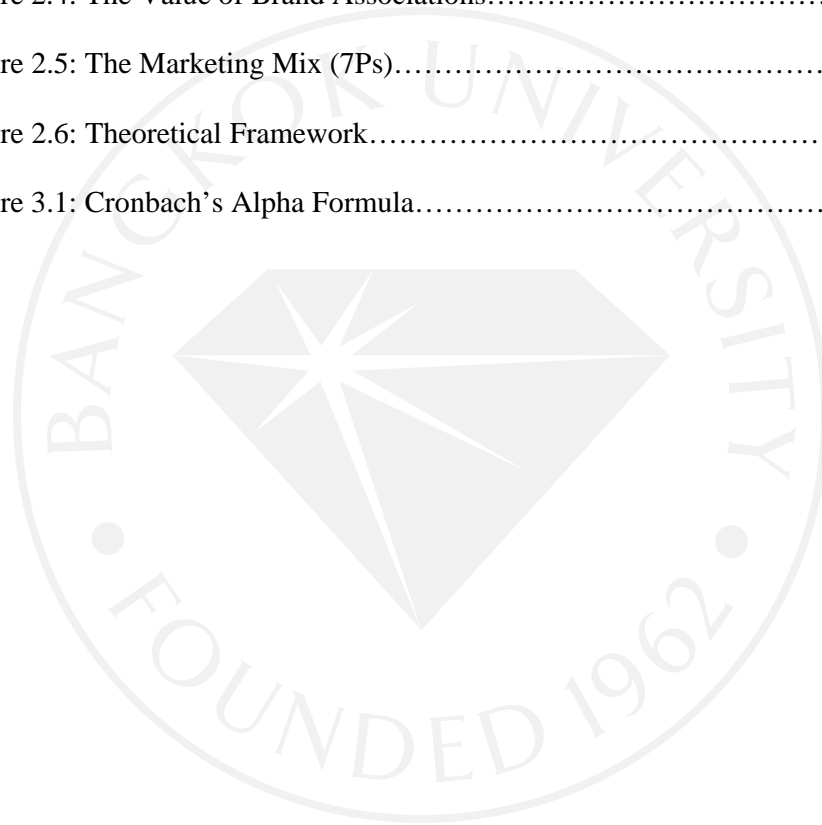
|   | Page |
|---|------|
| CHAPTER 4 RESEARCH FINDINGS AND DATA ANALYSIS (Continued).....  | 68   |
| 4.3 The analysis of descriptive statistics between consumer brand<br>selection and demographics to figure out customer profiling of each<br>brand for segmentation purpose..... | 68   |
| 4.3.1 Gender of Respondents.....  | 69   |
| 4.3.2 Age of Respondents.....   | 70   |
| 4.3.3 Marital Status of Respondents.....  | 73   |
| 4.3.4 Occupation of Respondents.....  | 74   |
| 4.3.5 Personal Income of Respondents.....   | 77   |
| CHAPTER 5 DISCUSSION AND CONCLUSION.....  | 80   |
| 5.1 Conclusions and Discussion.....   | 84   |
| 5.2 Managerial Implications.....  | 88   |
| 5.3 Recommendation for Future Research.....   | 89   |
| BIBLIOGRAPHY.....   | 91   |
| APPENDIXES.....   | 99   |
| APPENDIX A Questionnaire.....   | 100  |
| APPENDIX B Content Validity.....  | 107  |
| BIODATA.....  | 111  |
| LICENSE AGREEMENT OF DISSERTATION/THESIS REPORT OF SENIOR<br>PROJECT  |      |

## LIST OF TABLES

|  | Page |
|--|------|
| Table 3.1: Level of Information Measurement and Criteria.....                    | 41   |
| Table 3.2: Level of Information Measurement and Criteria.....                    | 42   |
| Table 3.3: Level of Information Measurement and Criteria.....                    | 45   |
| Table 3.4: Level of Information Measurement and Criteria.....                    | 45   |
| Table 3.5: Reliability Statistics.....   | 48   |
| Table 4.1: Hypothesis test: Likelihood Ratio Test.....                           | 53   |
| Table 4.2: Brand Equity Analysis: Likelihood Ratio Tests.....                    | 56   |
| Table 4.3: Social Factors Analysis: Likelihood Ratio Tests.....                  | 58   |
| Table 4.4: Product Analysis: Likelihood Ratio Tests.....                         | 59   |
| Table 4.5: Price Analysis: Likelihood Ratio Tests.....                           | 61   |
| Table 4.6: Place Analysis: Likelihood Ratio Tests.....                           | 62   |
| Table 4.7: Promotion Analysis: Likelihood Ratio Tests.....                       | 63   |
| Table 4.8: People Analysis: Likelihood Ratio Tests.....                          | 64   |
| Table 4.9: Physical Evidence Analysis: Likelihood Ratio Tests.....               | 65   |
| Table 4.10: Process Analysis: Likelihood Ratio Tests.....                        | 66   |
| Table 4.11: Lifestyle Analysis: Likelihood Ratio Tests.....                      | 67   |
| Table 4.12: Gender of Respondents: Descriptive Statistics Analysis.....          | 69   |
| Table 4.13: Age of Respondents: Descriptive Statistics Analysis.....             | 70   |
| Table 4.14: Marital Status of Respondents: Descriptive Statistics Analysis.....  | 73   |
| Table 4.15: Occupation of Respondents: Descriptive Statistics Analysis.....      | 74   |
| Table 4.16: Personal Income of Respondents: Descriptive Statistics Analysis..... | 77   |

**LIST OF FIGURES**

|   | Page |
|---|------|
| Figure 2.1: Five Stages of Buying Decision Process.....               | 14   |
| Figure 2.2: The Five Stages Model of Maslow’s Hierarchy of Needs..... | 17   |
| Figure 2.3: Brand Equity Model.....                                   | 21   |
| Figure 2.4: The Value of Brand Associations.....                      | 23   |
| Figure 2.5: The Marketing Mix (7Ps).....                              | 28   |
| Figure 2.6: Theoretical Framework.....                                | 33   |
| Figure 3.1: Cronbach’s Alpha Formula.....                             | 48   |



# CHAPTER 1

## INTRODUCTION

### 1.1 Background

Nowadays, with the developing society and the raising of living standard people's value has been changed. Social status become one of the determinants that shape what people are in the society. What you wear represents who you are and who you want to be. Beside representing who you are and your position, humans like to think about themselves as special and different from another. Some people think of themselves not only as special and different but also better than others. As a change of people's value, people almost always used "things" to measure and identify themselves and others (Tunstall, 2013).

Fundamentally, branding is a demonstration of the human condition. Branding process involved to creating an uniqueness product image in consumer's perception, branding also aims to establish what people can expect from the products and services and used to differentiate product itself from others in the market to attracts and retains loyal customers ("Digitizing #luxury brands", 2016). Branding demonstrates the sense of belonging; it's separated people who are in the same group and people who are not belong to. In conclusion, branding and design are contrasted. The reason people choose to buy a brand name, most likely, because of its design and the emotional differences they get. For example, the different between a no-name purse and Louis Vuitton purse, the function of two both purses are the same but how people feel to the purse is different. According to the market research of Deloitte over the 2012–2014, the annual growth rate in luxury goods sales was stronger. The

total sales of the top 100 largest Luxury goods companies in 2014 are 222 billion USD, which giving averages sales of 2.2 billion USD per company. The profit margins of the top 10 companies were higher than in 2013 and the net profit margin increased by 1.5 percent to 13.2 percent (Arienti, 2016). Bag and accessories sales growth doubles in 2014 and it's almost doubling to 9.3 percent, which is the highest growth rate among all the luxury goods product sectors (Arienti, 2016). LVMH Moët Hennessy–Louis Vuitton SA accounts over 10 percent of the total luxury goods sales, and they are ranked on the first place in luxury goods sales revenues, luxury goods sales growth rate, and net profit margin.

As the long-term economic problems and small population growth rate in Europe have forced many European luxury brands to expand their business to Asian (Nueno & Quelch, 1998). Asian people mostly think that the Western luxury brands are a symbol of good taste and using it to define their identity and social position (Chadha & Husband, 2006). Southeast Asia including Thailand, Malaysia, Indonesia, Philippines, and Singapore are the countries that luxury fashion brands should not be underestimated and today's these countries become a niche market as the rising of people's living standard. (Chadha & Husband, 2006) The growth of upper and middle class has contributed to the increase in consumption rate of luxury fashion brands. Moreover, Thailand has promoted Bangkok as a regional fashion hub and a city of luxury goods.

In addition, there are a lot of luxury department stores in Bangkok such as Siam Paragon, The EM district, Central World, Gaysorn Plaza, The Erawan Boutique Mall, and more. Those shopping malls are completed with luxurious environment and facilities. Fashion and shopping become a major role in Thai people lifestyle. This can



be proved that Thai people are adapted more on Western culture and changed in social perception, and economy. Thai people in the present days are more concerning about their status and got influences by social media. Luxury fashion products are purchase to representing people's social face, social position and social status reasons.

Therefore, the topic "The study of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand" is very important and necessary.

## **1.2 Problem Statement**

According to the world today, people lifestyle has changed from the affects of globalization and the improvement of living standard. In Bangkok, people are more influence by western culture that's why luxury goods become necessary and used to represent people's position and status. As Thai government pushed the country to be a luxurious shopping destination, the luxury goods market in Thailand continues to grow.

Continuing to the benefit from the government support and the recovered economic situation, luxury goods markets in Thailand are continue expanding. Thai consumers are focusing more on fashion business. As new brands entered the marketplace along with the increasing of competition in the market, it forces consumer to do their research before making any decision. Consumer seeking and comparing products and prices, they are searching for the best deal before making any purchase. Besides the research, Thai consumers are influencing by social media and become more sophisticated in their requirements among luxury goods ("Luxury goods in Thailand", 2016). People can see more products, special products and limited

collection via online; those things can draw people's attention and create a demand in the marketplace. As the trend, consumer gives more weight to exclusivity, differentiation and uniqueness in their product selection process.

In order to finding new solutions for Thai enterprises on the luxurious fashion market the author will conduct dissertation research "The study of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand" to understand the factors that influence Thai consumers' preference and their buying behavior.

### **1.3 Aims of the Study**

In this research, the researcher's purpose is to identify the factors that influence consumer preference in buying decision towards top three luxury brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand. Other reason are the researcher is interested in the process of branding, marketing mix strategies, how to remains consumer loyalty and want to understand about consumer-purchasing decision in Thailand.

### **1.4 Research Objectives**

- To study the marketing factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada.
- To study the consumer behavior that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada.

### **1.5 Research Questions**

To achieve these objectives, the research questions are as follows:

- What factors that influence consumer preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand?
- The degree of impact based on factors that influence consumer preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand.

### **1.6 Research Scopes**

This study surveys the factors that influence consumer preference and consumer purchasing decision towards top three luxury fashion brands in Bangkok, Thailand including Chanel, Louis Vuitton and Prada. The questionnaires are focusing on the possible factors such as brand equity, marketing mix (7Ps), social factors, consumer behavior, and demographics that will be used in this independent study.

#### **1.6.1 Scope of Content**

Researcher investigated and examined the relation of the key independent variables, consumer preferences, and consumer purchasing decision of choosing luxury goods. This study is a quantitative research based on the factors affecting consumer preference towards top three luxury brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand.

#### **1.6.2 Scope of Demographics, Samples and Location**

In this survey, the sample size is 400 respondents. Researcher identifies population based on random people who experienced luxury goods among three

brands including Chanel, Louis Vuitton and Prada and living in Bangkok, Thailand.

### 1.6.3 Scope of Related Variables

In this study, variables are presented accordingly to proposed hypothesis as follow:

#### Dependent Variable

Consumer buying preference towards top three luxury fashion brands in Bangkok, Thailand

#### Independent Variables

- H1 Brand Equity
- H2 Social Factors
- H3 Product
- H4 Price
- H5 Place
- H6 Promotion
- H7 People
- H8 Physical Evidence
- H9 Process
- H10 Lifestyle

#### Hypothesis

Hypothesis can be explained as below:

- $H_{1_0}$ :  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value = 0

- H1<sub>a</sub>: At least one of  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value  $\neq 0$
- H2<sub>o</sub>:  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status = 0
- H2<sub>a</sub>: At least one of  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status  $\neq 0$
- H3<sub>o</sub>:  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality = 0
- H3<sub>a</sub>: At least one of  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality  $\neq 0$
- H4<sub>o</sub>:  $\beta$ Range of Price, Reasonable Price, Resale Value = 0
- H4<sub>a</sub>: At least one of  $\beta$ Range of Price, Reasonable Price, Resale Value  $\neq 0$
- H5<sub>o</sub>:  $\beta$ Location, Convenience, Number of Store = 0
- H5<sub>a</sub>: At least one of  $\beta$ Location, Convenience, Number of Store  $\neq 0$
- H6<sub>o</sub>:  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift = 0
- H6<sub>a</sub>: At least one of  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift  $\neq 0$
- H7<sub>o</sub>:  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability = 0
- H7<sub>a</sub>: At least one of  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability  $\neq 0$
- H8<sub>o</sub>:  $\beta$ Luxurious Environments, Store Design and Decorations = 0

- H8<sub>a</sub>: At least one of  $\beta$ Luxurious Environments, Store Design and Decorations  $\neq 0$
- H9<sub>o</sub>:  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping = 0
- H9<sub>a</sub>: At least one of  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping  $\neq 0$
- H10<sub>o</sub>:  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize = 0
- H10<sub>a</sub>: At least one of  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize  $\neq 0$

This research has been conducted between October 2016–February 2017 and based in Bangkok, Thailand.

### **1.7 Limitations of Research**

To Study the topic of “The study of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand” researcher has to be understand and focus on the limitations of independent variables that can positively or negatively affects on dependent variable. As to keep the research within the specific research structure, this study will limit by focusing on only top three luxury fashion brands including Chanel, Louis Vuitton and Prada based in Bangkok, Thailand.

In Bangkok, mostly middle to high-income people knows luxury fashion brands but not all people experienced in purchasing process, this can cause a problem in finding respondents of this survey.

## **1.8 Assumptions**

The key factors are including Brand Equity, Social Factors, Product, Price, Place, Promotion, People, Physical Evidence, Process and Lifestyle could affects on consumer brand decision towards top three luxury fashion brands: Chanel, Louis Vuitton and Prada in Bangkok, Thailand.

## **1.9 Benefits of Research**

- To have a better understanding about consumer buying preference and the relationship between key factors including Brand Equity, Social Factors, Product, Price, Place, Promotion, People, Physical Evidence, Process and Lifestyle towards consumer preference among top three luxury fashion brands in Bangkok, Thailand.
- To provide research information to Thai enterprises or marketers who need to develop their business in luxury fashion market, to decrease or solve the problem that may affects the business.
- To study and analyze the consumer preference towards three luxury fashion brands among Chanel, Louis Vuitton and Prada.

The result of the research could be useful for the marketing experts who interesting in luxurious market and want to understand the Thai's consumer buying behavior.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This paper is focusing on the factors that influencing consumer buying preference towards top three luxury fashion brands. Researcher starts the chapter by studying on the definition of the word “Luxury”, which is related to the topic of this research. In luxury fashion brand topic, Chanel, Louis Vuitton and Prada will be defined along with a study of consumer behavior, marketing mix (7Ps), and brand equity. Lastly, conceptual framework will be conducted and make a clear overview of this research.

#### **2.2 Luxury Fashion Brand**

The definition of the word “Luxury”, luxury is a state of great comfort or elegance, especially when involving great expense. In singular luxury means a pleasure obtained only rarely (Oxford Dictionary). But in reality luxury can mean many things depend on whose perspective. According to Ashley (Lovell, 2015) “Luxury is personal. It represents a level of quality that is not accessible to everybody.” From this quotation, people are able to interpret an amount of spend based on the premium value in their own perception.

When talking about luxury fashion brand its means to having a back-story, so people can emphasize where a brand began (Lovell, 2015). The history three luxury fashion brands are as following:



### **2.2.1 Chanel**

The iconic Double C logo brand was started more than a hundred years ago in the name called Chanel. Chanel knows as one of the world's most luxury and classic brand. The fashion designer Coco Chanel was born on August 19<sup>th</sup> 1883 in Saumur, France. Chanel becomes known from her timeless design and her little black dress ("Coco Chanel", 2016). Besides the apparel, Chanel classic flap bag is one of the most important accessories in the fashion history. The first Chanel bag designed in 1929, but like other bags during the era it was hand-carried. Until February 1955, Coco Chanel debuted the shoulder-carried bag version and it's changed the world's handbag history (Mull, 2016).

There are three Chanel boutiques in Bangkok, which are located in Siam Paragon, Central Embassy and the latest boutique in The EmQuartier shopping centre.

### **2.2.2 Louis Vuitton**

Louis Vuitton was a French box-maker who established the luxury brand of the same name over 150 years ago. He started his career as a personal box-maker and a packer of the Empress of France, Eugenie de Montijo—the wife of Napoleon Bonaparte in 1852 ("Louis Vuitton", 2014). This opportunity provided Vuitton to a class of elite and royal clients. In 1854 Vuitton opened his first shop and four years later he debuted his trademark trunk. The trunk made of canvas instead of leather, which is proved to be more durable and water resistance than other products in the market (Holborow, 2012). Louis Vuitton expanded by offering many product including bags, clothing, shoes, accessories, jewelry and more. The Louis Vuitton monogram is one of the most recognizable fashion brand logo in the world. The

unique design composed of flowers and the entwined Louis Vuitton initials. Today's Louis Vuitton becomes one of the most powerful and valuable brands in the world.

Louis Vuitton business seems to be going well in Bangkok. 28 years after opened the first store Louis Vuitton launched the Bangkok's latest store in Siam Paragon on the 6<sup>th</sup> July 2012 (Phataranawik, 2012). Like the final, Louis Vuitton completed Siam Paragon's the missing piece to becoming a world-class shopping destination (Jitpleecheep, 2012). The Louis Vuitton stores in Bangkok are located in Siam Paragon, Gaysorn Plaza and The Emporium shopping center.

### **2.2.3 Prada**

Prada started by Mario Prada in 1913 until now to his granddaughter, Miuccia Prada (Senft, 2011). Prada first opened boutique in Milan and began selling shoes, leather handbags, leather accessories, beauty cases, and travelling trunks. After Prada taken over by Miuccia Prada, the brand become the face of modern and luxury. The nylon Prada backpack was completely changed the image of Prada from the old-fashioned brand into a label that was young and vibrant (Greathouse, 2015). For over a hundred years, Prada still so in-demand in the world of high fashion.

Prada Group has recently opened in Bangkok, Thailand. The Prada store carries ready-to-wear, bags and accessories collection for both women and men. There are three Prada boutiques in Bangkok, which are located in Siam Paragon, Central Embassy and the latest store in the EmQuartier shopping center ("Prada Japan flourishes", 2015)

### **2.3 Consumer Preference**

Consumer preference is defined as the individual tastes, which measured by utility. Preference is not about prices or financial; each of individual has a set of preferences and values based on their background, culture, education and other factors (Blanchflower & Oswald, 2000). An ability to purchase cannot used to measure people like or dislike. For example, one can have a preference using Louis Vuitton over H&M, but in the reality his or her financial means to use only H&M. Preferences are about consumer satisfaction derives from products or services, which are the main factors that influence customer demand. Marketers study consumer preference to understand and perceive the demand for each goods and used to predict the future marketing strategy.

### **2.4 The Theory of Purchasing Behavior**

There are a multitude of theories on the consumer purchasing behavior that marketer analyzing them to find how to influence consumers to purchase their products and services (Penn, 2007). Normally, when people feel a need to purchase they will go through some steps before making a decision. A different consumer will go through different buying decision depends on the factors like culture, social and environment influences. The understanding of consumers buying process is not only important for salesperson, but may help marketers to align their sales strategy (Johnson, 2016).

A consumer buying decision-making process uses to describe the journey of consumer along the way before they purchase any product. In fact, before consumer makes a purchase they must go through five stages of consumer buying process

including problem or need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior (Johnston, 2016).

The five stages framework use to evaluate the consumer's buying decision as the diagram below:

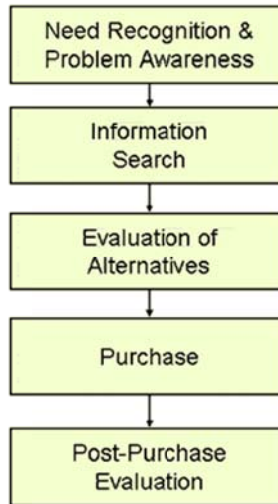


Figure 2.1: Five Stages of Buying Decision Process

Source: Riley, J. (2016). *Marketing & buyer behaviour—the decision–marketing process*. Retrieved from <http://www.tutor2u.net/business/reference/marketing-buyer-behaviour-the-decision-making-process>.

This model is important for marketers or anyone who making a marketing decision and this model forced marketer to consider a whole buying process rather than focus only on a purchase decision.

#### **2.4.1 Problem Recognition**

Problem or need recognition is the first stage of buying decision process. In this stage people will identify a need or a problem, for example, “I’m hungry” or

“I need a new bag.” The need can be stimulated by internal stimuli and external stimuli. In this case, advertising can be external stimulus that influences people to the next steps of buying process (Umar, 2011). The marketers must examine and recognize the needs of consumer as long as finding the way to satisfy them.

#### **2.4.2 Information Search**

The second stage in buying decision process is information search. In this stage, consumer will search the product information from family, friends, advertisements, Internet, salesperson or personal experience. Consumer start to find out what products are in the market and they start to work out which product is the best to solving their problem or satisfying them (Jiang & Jones, 2014).

The most resource that people using to find information about their problems and needs is the Internet (“Marketing 101”, 2015). People use the Internet to research, read and see some reviews.

#### **2.4.3 Evaluation Alternatives**

Once the research is done, consumer starts evaluate the option. Consumer uses that information to find a set of final brand choices. Among selecting the best alternative, consumers are influences by their own feeling, the seriousness of the problem, prices, quality and features (“Marketing 101”, 2015).

#### **2.4.4 Purchase Decision**

The fourth stage of buying making-decision process is purchase decision. In this stage, after consumer evaluated the option they will buy the most suitable product. Consumer changes their money to solve his or her problem. There are two factors that might influence the people intension and decision. First is attitude of others and second are unexpected situational factors (Farooq, 2011)

### **2.4.5 Post-purchase Behavior**

After the product has bought but the marketer's job does not finished.

Consumer may satisfy or dissatisfied with the product, so the next is post-purchase behavior process. Consumer, who is satisfied or dissatisfied, will speak to their family, friends, and others. Marketer has a duty to satisfy them and turn a one-time purchase into repeating purchase. According to Townsend's theory (2015), marketers can mitigate the problem of dissatisfies consumer by:

- Ensuring that consumer purchase the right product that can solving their needs. Salesperson has to providing the correct information during the sale.
- Providing the top-notch consumer service during the sale.
- Offering the after services to support and answer post-sale questions.
- Keep staying in touch with a consumer after the sale.

Either the consumer satisfied or dissatisfied, they will respond their positive or negative feedback about the product and services somehow. This may be through reviews on website, on social media or word of mouth. Companies should be very careful to create a positive relationship and a positive communication, in order to engage customer and retain consumer loyalty (Johnston, 2016).

### **2.5 Maslow's Hierarchy of Needs (Maslow, 1943)**

Maslow's Hierarchy of Needs is a motivational theory. Maslow wanted to understand what factors motivated people. Maslow theory has separated our need into five basic stages, which once the level was fulfilled the next level up is what

motivates us (McLeod, 2007). The five stages model can be divided as the figure below:

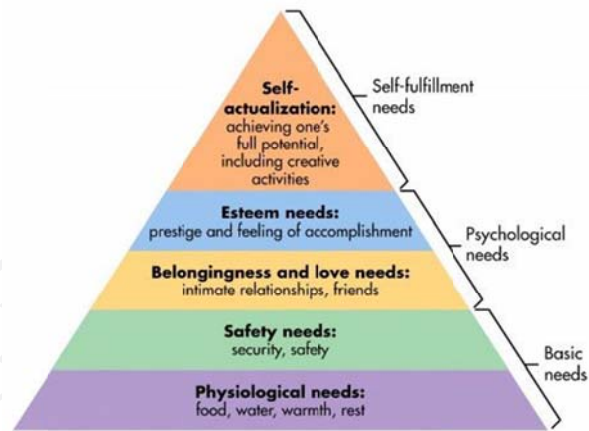


Figure 2.2: The Five Stages Model of Maslow's Hierarchy of Needs

Source: Maslow, A.H. (1943). A theory of human motivation. *Psychological Review*, 50, 370-396.

The five stages model can be explain as

- Self-actualization: including morality, problem solving, creativity and so on.
- Esteem: including confidence, self-esteem, achievement, respect and so on.
- Belongingness: including love friendship, intimacy, family and so on.
- Safety: including security of environment, employment, resources, health, property and so on.
- Physiological: including air, food, water, sex, sleep, and other factors toward homeostasis and so on.

Once the basic needs are fulfilled the safety needs show up. Safety needs are less demanding than physiological needs but when people lose it, they are likely to feel insecure and unprotected. When people fulfilled by safety the next step is to having a wider social connections and relationships. Love can help people through the difficult times (Hoffman, 1999). Maslow felt that there are clear distinction between love and esteem. As an individual, people wish to be exceptional and wanted others to be notice about their unique capabilities. Finally the top pier of Maslow's Hierarchy is Self-actualization. Maslow stated that people with self-actualized are people who tend to experience a steadier, grounded sense of well-being and satisfaction with their life (Maslow, 1943).

## **2.6 Choice Theory (Glasser, 1998)**

According to Dr. William Glasser choice theory, choice theory psychology is a new explanation of human behavior, it is mentioned that people are motivated by a never-ending quest to satisfy the five basic needs: to love and belong, to be powerful, to be free, to have fun, and to survive (Glasser, 1998).

The way to fulfill psychological basic needs can be summarized as follow:

- People fulfill the need of love and belong by loving and sharing.
- People fulfill the need of power by being recognized and respected.
- People fulfill the need of freedom by making choices.
- People fulfill the need of fun by playing and laughing.
- People fulfill the need of survive by eating, drinking, and so on.

Choice theory shows that people are motivate by what they want at that moment rather than motivate by rewards and punishment (Sullo, 2011). People have



control over the doing component of behavior including acting, thinking, feeling, and physiology. If the any component has changed the other components will change as well. A greater control over the doing component behavior, people will get a better feeling, more pleasant thought, and a greater physical comfort. (Crawford, Boding & Hogleund, 1993).

The Ten Axioms of “Choice Theory” by Dr. William Glasser:

- 1) The only person whose behavior we can control is our own.
- 2) All we can give another person is information.
- 3) All long-lasting psychological problems are relationship problems.
- 4) The problem relationship is always part of our present life.
- 5) What happened in the past has everything to do with what we are today, but we can only satisfy our basic needs right now and plan to continue satisfying them in the future.
- 6) We can only satisfy our needs by satisfying the pictures in our Quality world.
- 7) All we do is behave.
- 8) All behavior is Total Behavior and is made up of four components: acting, thinking, feeling, and physiology.
- 9) All Total Behavior is chosen, but we only have direct control over the acting and thinking components. We can only control our feeling and physiology indirectly through how we choose to act and think.
- 10) All Total Behavior is designated by verbs and named by the part that is the most recognizable.

## **2.7 Brand Choice Theory**

The influence factors of consumer brand choice behavior can be separated into two aspects, which are internal factors and external factors. The internal factors are such as personality, education level, income level, and the external factors are brand attributes and network environment factors. The research shows that consumers mostly tend to choose their preference brand meaning that consumers set their preference before doing any purchase and even the purchase is unplanned, consumers are still influenced by consumer tastes and preferences (Mei-lian, Haibo & Qiong, 2012).

The main factor that influences people's decision is environment factors or what they see in everyday (Berger, 2008). The environment influences product evaluation and choice including product's title, slogan, advertisement, color, and more. Marketers always think that if they want to get consumer attention they have to create a catchy slogan or tons of advertisement, but in reality Berger (2008) suggested that the best way for a company to influence people is to create a link between their product and something in the environment.

## **2.8 Brand Equity Theory**

In the late 1980s, brand equity became an important idea (Aaker, 2016). Brand equity identifies the assets and liabilities linked to the brand, in terms of name and symbols that add value to the product. Companies create brand equity on their products by making them memorable, recognizable, high quality, and reliable (Investopedia).

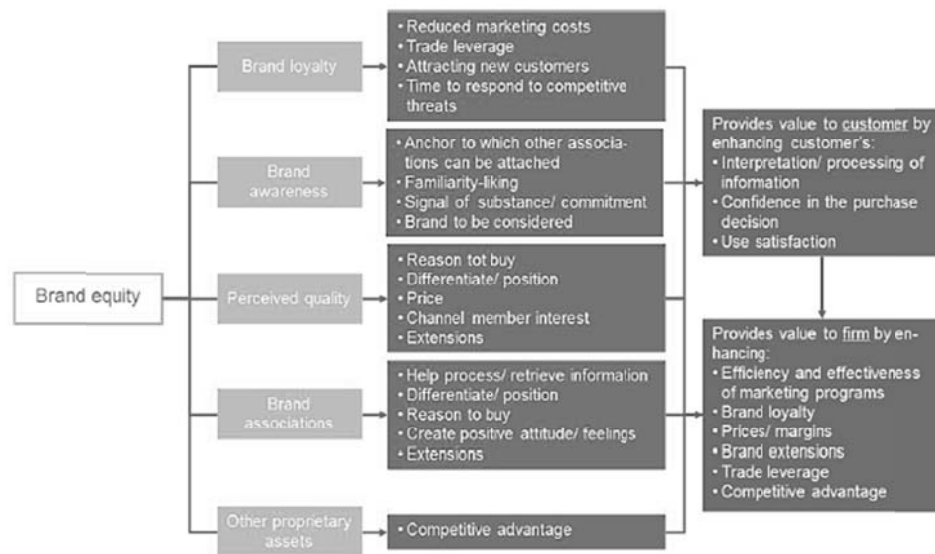


Figure 2.3: Brand Equity Model

Source: Aaker, D. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. London: WPP Group.

According to David Aaker theory (Aaker, 1991), there are five brand equity components, which are brand loyalty, brand awareness, perceived quality, brand association and other proprietary assets. In this research, the author will discuss in detail about brand logo, brand awareness, brand association, brand identity, brand image, brand loyalty, perceived quality, and value toward David Aaker's model.

### 2.8.1 Brand Logo

A logo is the symbol that represents a person, company or organization. Logo uses to generate awareness of the company's association with a particular product or service (Investopedia). Logo is also an intangible assets of the company because it's hold value and a company's identity. Logos are used in the marketing of products and

services. A well-recognized logo can increase a company's goodwill. A good logo should be:

- Logo should be simple.
- Logo should be distinguished or unique.
- Logo should be functional.
- Logo should be effective and memorable.
- Logo should be a perfect reflection of the organization.
- Logo should portray company's values, mission and objectives.

### **2.8.2 Brand Awareness**

Brand awareness is the level of consumer consciousness to the brand. It is used to measure consumer ability, how they recognize and associate with the brand. Marketers create brand awareness in order to promote a product especially when want to launching new products or services (Investopedia). Brand awareness also use to differentiate company's product from other similar products in the market. Company with a high level of brand awareness will get higher sales compared to the competitors. According to David Aaker's brand equity model (Aaker, 1991), brand awareness can be measured by using the following:

- Anchor to which association can be attached.
- Familiarity and linking (people with a positive attitude towards a brand will speak more, and extend the brand awareness to others).
- Signal of substance and commitment to the brand.
- Brand to be considered during the purchasing process.

### 2.8.3 Brand Association

Brand association is a group of remembered qualities that differentiate brand itself from the competition (Smith, 2016). Brand association helps company to add a value into the brand. If consumers have a strong and positive association with the brand, the brand has equity with consumers.

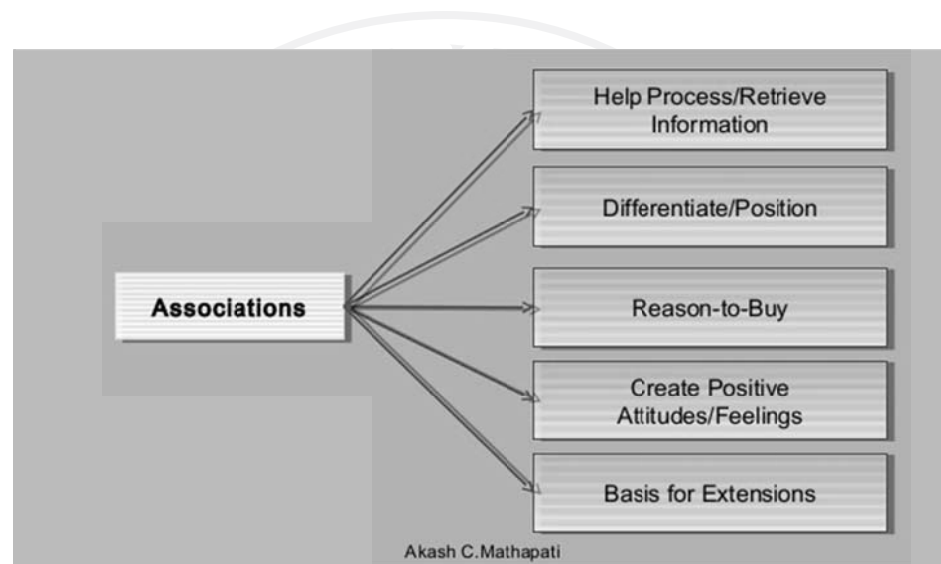


Figure 2.4: The Value of Brand Associations

Source: Mathapati, A. (2014). *Brand associations*. Retrieved from

<http://www.slideshare.net/akashcm/brand-associations-31378666>.

According in to the value of brand association diagram (Mathapati, 2014) brand association can:

- Help consumer to remember the uniqueness qualities of the brand.
- Positioning and differentiates the brand from other competitors.
- Provide a reason to buy the company's products.

- Create positive attitudes and feelings towards the brand and its product.
- Brand extensions, where new products use the livery of the old brand.

#### **2.8.4 Brand Identity**

Brand identity is the noticeable elements of brand including colors, logo, name, design, or symbol that together identify and differentiate the brand in the consumers' mind (Business Dictionary). Brand identity is also a promise that organization makes to consumers and it is all what an organization wants the brand to be considered as. Brand identity leads to brand loyalty, brand preference, high credibility, good prices, and good financial returns because it helps an organization to express to the consumer and the target market. Brand identity establishes a connection between the organization and consumers ("Brand identity", 2010).

#### **2.8.5 Brand Image**

Brand image is a unique set of associations in consumers' mind that tells what is a brand stands for and the implied promises the brand makes and it uses to represent the internal and external characteristics of the brand (Vineeth, 2007). The perception of brand image is what the mechanisms of advertising, marketing and public relations that try to influence by molding, managing, creating, supporting and ultimately manufacturing the brand assets to which consumer relate (Coffin, 2014)

Six ways to create a positive brand image are (Shane, 2014):

- Invest in your own professional branding
- Qualify your relationships and connections
- Increase your dedicated meeting and conversations
- Commit more time to purposeful social media marketing

- Join and volunteer

### **2.8.6 Brand Loyalty**

Brand loyalty is a kind of consumer behavior, where consumers committed to the brand and repurchases the same product over the time. This buying decision process can be conscious or unconscious but it's always based on the consumer perception that the brand can fulfill their needs and expectations (Gunelius, 2013). A brand with powerful loyal consumers equates to a long-term and sustainable success of the company. Brand needs to maintain the engagement with the consumer in order to identify their needs and expectations. Once the value identified, brand will get a higher consumer engagement and higher number of repeat consumers. The more repurchasing the product the more brand earning higher profits.

### **2.8.7 Perceived Quality**

Perceived quality can defined as the consumer's opinion about the brand image, or overall quality of the product. Perceived quality can be view in both terms of consumer expectation and a comparison between products and it's competitive (Somma, 2014).

According to Aaker (1991), perceived quality is intangible and it's different in each consumer. Perceived quality depends on different individual personalities, needs, perception and preference. For the product, Aaker said that consumer would evaluate based on seven features:

- Performance
- Features
- Conformity with specifications
- Reliability

- Durability
- Serviceability
- Fit and Finish

In fact, people buy the products only when they believe in the value of what they will get.

### **2.8.8 Value**

Brand value is referred to brand equity, which is the premium that accrues to a brand from consumers who are willing to pay (Business Dictionary). Values stand at the value core of your brand, which are including brand design, message and consumer relationship. Brand values help company to capture the proposition, personality and purpose of the brand. To create a brand value, Company should create deep and meaningful relationships with your consumers, repeat business and raising the value of the brand. The clear brand value connects consumer with the brand and made them become brand loyalty (Melymbrose, 2016).

As brand equity is designed to reflect the real value that a brand holds for its products and services. Measuring brand equity is consider as important because brands are believed to be strong influencers of critical business outcomes, such as sales and market share (“Brand equity”, 2016). The seven benefits of brand equity are (Keller, 2016):

- Be perceived differently and produce different interpretations of product performance
- Enjoy greater loyalty and be less vulnerable to competitive marketing actions



- Command larger margins and have more inelastic response to price increases and elastic responses to prices decrease
- Receive greater trade cooperation and support
- Increase marketing communication effectiveness
- Yield licensing opportunities
- Support brand extensions

In contrast, marketing researchers seek to measure and understand brand equity for strategic positioning and planning.

### **2.9 Marketing Mix Theory (7Ps)**

A marketing mix is a combination of marketing activities. To meet the consumer needs, business must develop the right set of strategies to satisfy them in terms of the right product, right place, and using right promotion (Vliet, 2013). The service marketing mix formed of 7P's that are expanded from the 4P's of product marketing mix. Assume that the service marketing mix sees the service as a product, the 3 further P's including people, process, and physical evidence (Bhasin, 2016).



Figure 2.5: The Marketing Mix (7Ps)

Source: Acutt, M. (2015). *The marketing mix 4P's and 7P's explained*. Retrieved from <http://marketingmix.co.uk>.

### 2.9.1 Product

Product is an item that is created to satisfy consumer needs in certain group of people. Product can be intangible or tangible refers to service or goods (Acutt, 2015). A successful product should answer consumer's want and meet the consumer expectation. To developing the right product, company should have to answer the following questions (Tracy, 2004):

- What does the consumer want from the product and service?
- How will the consumer use it?
- Where will the consumer use it?

- What features must the product have to meet the consumer's need, and what necessary features are missing?
- What is the name of the product, and does it recognizable?
- What are the sizes and colors of the product available?
- How does the product different from the competitor's product in the market?
- What does the product looks like?

### **2.9.2 Price**

Price is a very important component of the marketing plan. Price uses to determine the company's profit and survival. Price does not necessarily to be the cheapest in the market but it has to representing the good value for money. According to Solomon et al (2009), "Price is the amount the consumer must change to receive the offering."

### **2.9.3 Place**

Place is where the product or service actually sold. The product can be sold in many different places such as direct selling, telemarketing, sending catalogs or mail order, trade shows, or retail establishments. Company must select the right choice, choose the best location and place the product that is approachable to the potential buyers.

### **2.9.4 Promotion**

Promotion is including sales organization, public relations, advertising, and sales promotion. Social media become a communication tools for the company and these tools should be use to put across the correct the target audiences. Promotion is

the way companies used to promote and sell their products, with small changes in promotion can lead a company to higher sales.

### **2.9.5 People**

People are the most important factor of all service business. The company's employees are important in marketing because these people are the ones who face the consumer and deliver the services. A company should select the right person to the right position. Therefore, customer service training has become a top priority for many organizations today.

### **2.9.6 Physical Evidence**

According to Zeithaml & Bitner (2007) words, "The environment in which the service is delivered, and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service". Physical evidence representing a brand conception, for example, when you think about fast food you may think about McDonalds (Acutt, 2015). Physical evidence includes buildings, equipments, signs and logos, brochures, website, and business cards.

### **2.9.7 Process**

Process is the process of the service delivery. The company has to be ensured that the same standard of service are repeatedly delivered to the consumers. A company should remember that services are what the consumer is paying for it.

## **2.10 Social Factors**

### **2.10.1 Social Status**

According to the marketing consumer behavior theories research, people may compromise basic needs to be perceived as someone whom they think they are belonging to in the society. Social class refers to a group of people with a similar level of economic, influences, and status. Sociologists use three methods to determine social class including the objective method, the subjective method, and the reputation method. The result of the research can define social class in to three segmentations: lower class, middle or working class, and upper class.

### **2.10.2 Celebrities Influence**

Celebrities are people who appear in the public and enjoy public recognition. They are people who have attractiveness, extraordinary lifestyle, or special skills (Anjum, Dhanda & Nagra, 2012). Furthermore, celebrities are appear everywhere in news, fashion shows, magazines, and advertisement. Marketers using famous person image to sell their products and services by allow celebrities to displaying the product, using them, or wearing them. Based on a Newsweek poll, 77% of Americans believe that celebrities have too much influence on young girls (Radnor, 2010). This kind of influences brings reliability, trust, association, and aspiration to the brand.

### **2.10.3 Social Media Influence**

Nowadays, social media is everywhere such as Facebook, YouTube, Twitter, Instagram, Pinterest, and they are getting bigger and becoming important everyday. People spend a lot of time on the Internet and it's become people's second nature and habits (Bennett, 2013). Social media helps company to communicate and engaged with their consumers. According to Bughin (2015), European consumers across 30

product areas and more than 100 brands in 2013 and 2014 shows that social media significantly influenced people buying decision, its growing very faster across the product categories 10 to 15 percent over the estimation.

### **2.11 Utility Theory**

Utility theory is an assumption based upon individual preferences. It used to explain individual's behavior on the premise they can consistency rank their choices. The utility functions are valuable tools to representing individual's preference. Each individual has different economics and preferences, so the utility maximization theory uses the law of diminishing marginal utility to explain how individual allocate their incomes. The utility maximization model is based on the following assumptions (Chans, 2015):

- Consumers are assumed to be rational. They trying to get the most value for their money.
- Consumers face a budget constraint. They have limited income and resources.
- Consumers have clear preferences for goods and services.
- Consumer must choose the goods among with their limited incomes.

Whenever the four assumptions are satisfied, then the individual's preferences can represent by a well-behaved utility function. Therefore, if one product provides more utility than another then consumers will buy more of that product.

## 2.12 Research Framework

After author does some model research based on consumer buying preference, the author suggested the theoretical framework as follow:

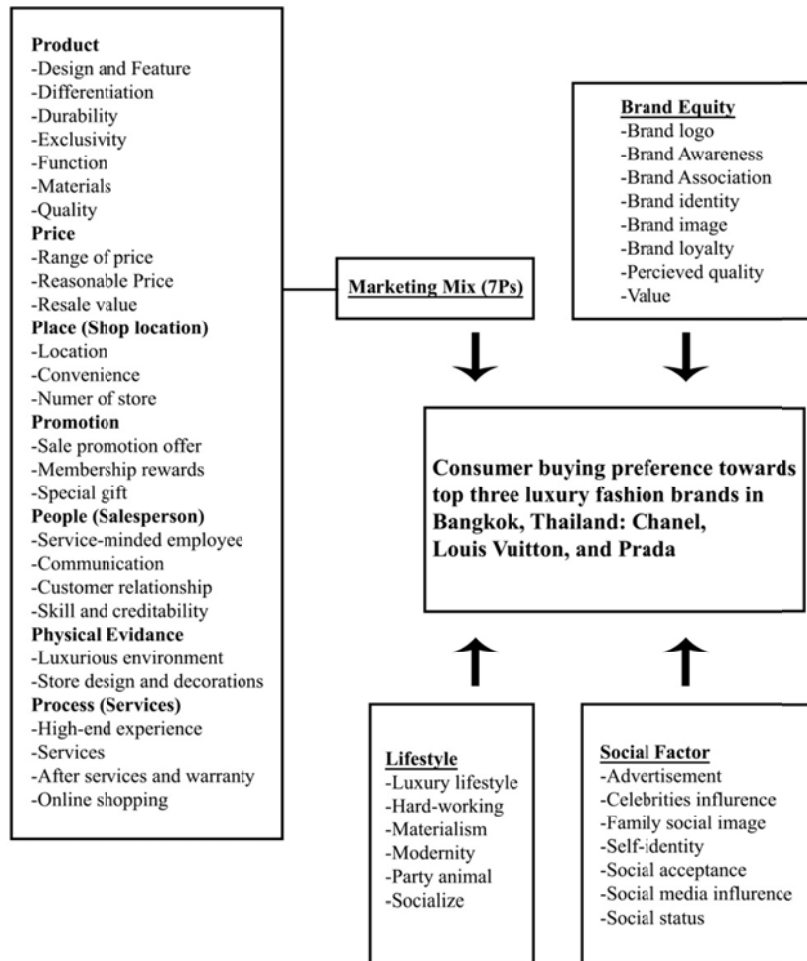


Figure 2.6: Theoretical Framework

This research studies the relationship between brand equity, marketing mix (7Ps), social factors, lifestyle, and demographics towards consumer buying preference of top three luxury fashion brand including Chanel, Louis Vuitton, and Prada in

Bangkok, Thailand. The questionnaire will be made to be specific and conformity with conceptual framework.

### **Dependent variable**

Consumer buying preference towards top three luxury fashion brands in Bangkok, Thailand

### **Independent variable**

- H1 Brand Equity
- H2 Social Factors
- H3 Product
- H4 Price
- H5 Place
- H6 Promotion
- H7 People
- H8 Physical Evidence
- H9 Process
- H10 Lifestyle

### **Hypothesis**

According to the previous framework, there are four sets of independent variables, which are brand equity, social factors, marketing mix (7Ps), and lifestyle. Dependent variable is consumer's buying preference and the demographics will be kept as general information of survey attendants.

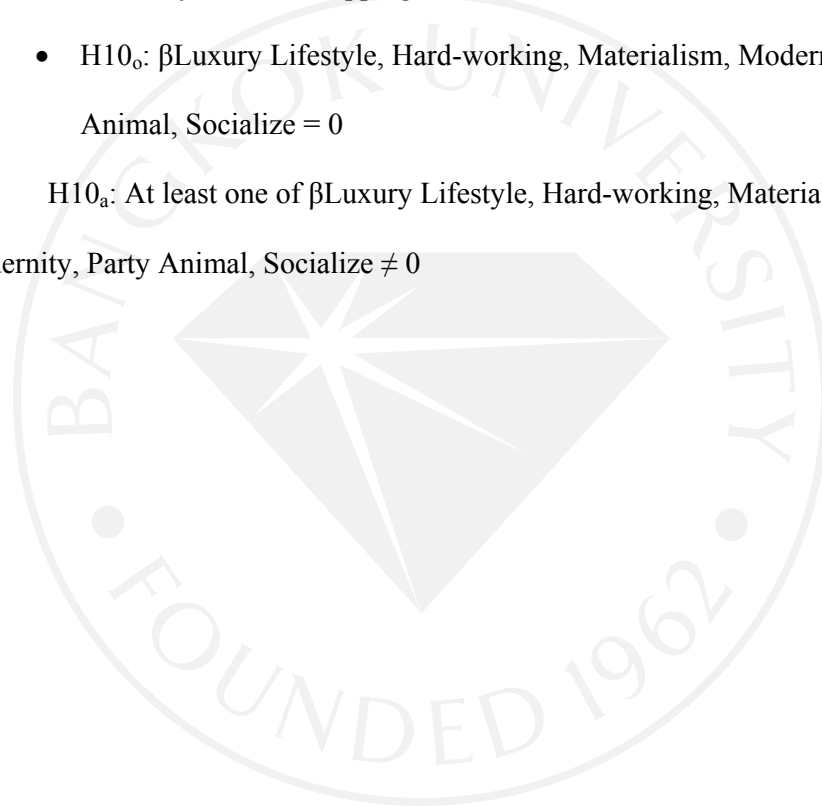
Hypothesis can be explained as below:

- H1<sub>0</sub>:  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value = 0



- H1<sub>a</sub>: At least one of  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value  $\neq 0$
- H2<sub>o</sub>:  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status = 0
- H2<sub>a</sub>: At least one of  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status  $\neq 0$
- H3<sub>o</sub>:  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality = 0
- H3<sub>a</sub>: At least one of  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality  $\neq 0$
- H4<sub>o</sub>:  $\beta$ Range of Price, Reasonable Price, Resale Value = 0
- H4<sub>a</sub>: At least one of  $\beta$ Range of Price, Reasonable Price, Resale Value  $\neq 0$
- H5<sub>o</sub>:  $\beta$ Location, Convenience, Number of Store = 0
- H5<sub>a</sub>: At least one of  $\beta$ Location, Convenience, Number of Store  $\neq 0$
- H6<sub>o</sub>:  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift = 0
- H6<sub>a</sub>: At least one of  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift  $\neq 0$
- H7<sub>o</sub>:  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability = 0
- H7<sub>a</sub>: At least one of  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability  $\neq 0$
- H8<sub>o</sub>:  $\beta$ Luxurious Environments, Store Design and Decorations = 0

- H8<sub>a</sub>: At least one of  $\beta$ Luxurious Environments, Store Design and Decorations  $\neq 0$
  - H9<sub>o</sub>:  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping = 0
  - H9<sub>a</sub>: At least one of  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping  $\neq 0$
  - H10<sub>o</sub>:  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize = 0
- H10<sub>a</sub>: At least one of  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize  $\neq 0$



## **CHAPTER 3**

### **METHODOLOGY**

In this chapter, researcher presents the discussion and the methodology that be used in a research. It also discusses about research strategy, populations and samples, variable, survey instruments, research reliability, data collection and statistic for data analysis.

#### **3.1 Research Strategy**

This research is a quantitative research, researcher uses questionnaire as a tool to collecting a research data. According to quantitative methods definition from Babbie & Benaquisto (2010), qualitative methods emphasize the statistical, mathematical, or numerical analysis data through polls, questionnaires, and surveys, by manipulating data using computational techniques. The main purpose of the study is to identify and examine the main factor influences consumer buying preference towards to three luxury fashion brands including Chanel, Louis Vuitton, and Prada in Bangkok, Thailand.

#### **3.2 Populations and Samples**

**Populations:** Target attendant of this study identified as the people who experienced these three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand.

**Samples:** A sample from this study is random people who experienced in luxury goods among three brands including Chanel, Louis Vuitton and Prada.

According to the research bunker, the survey has a margin of error of  $\pm 5\%$  or lower at the 95% confidence level (Niles, 2010). So researcher aims to collect 400 samples of target attendant in Bangkok, which it is the magic number of market research.

Simple size: Simplified formula for proportion (Yamane, 1973)

$$n = \frac{N}{1 + N(e)^2}$$

Where (Saxena, 2015):

n = corrected sample size

N = population size

e = Margin of error (e = 0.05 based on the research condition)

### 3.3 Variables and Hypothesis

In this research, researcher presents variable accordingly to the proposed variable and hypothesis as below:

#### **Dependent Variable**

Consumer buying preference towards top three luxury fashion brands in Bangkok, Thailand

#### **Independent Variable**

H1 Brand Equity

H2 Social Factors

H3 Product

H4 Price

- H5 Place
- H6 Promotion
- H7 People
- H8 Physical Evidence
- H9 Process
- H10 Lifestyle

### **Hypothesis**

- H1<sub>0</sub>:  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value = 0
- H1<sub>a</sub>: At least one of  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value  $\neq$  0
- H2<sub>0</sub>:  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status = 0
- H2<sub>a</sub>: At least one of  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status  $\neq$  0
- H3<sub>0</sub>:  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality = 0
- H3<sub>a</sub>: At least one of  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality  $\neq$  0
- H4<sub>0</sub>:  $\beta$ Range of Price, Reasonable Price, Resale Value = 0
- H4<sub>a</sub>: At least one of  $\beta$ Range of Price, Reasonable Price, Resale Value  $\neq$  0
- H5<sub>0</sub>:  $\beta$ Location, Convenience, Number of Store = 0
- H5<sub>a</sub>: At least one of  $\beta$ Location, Convenience, Number of Store  $\neq$  0

- H6<sub>0</sub>:  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift = 0
- H6<sub>a</sub>: At least one of  $\beta$ Sale Promotion Offer, Membership Rewards, Special gift  $\neq 0$
- H7<sub>0</sub>:  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability = 0
- H7<sub>a</sub>: At least one of  $\beta$ Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability  $\neq 0$
- H8<sub>0</sub>:  $\beta$ Luxurious Environments, Store Design and Decorations = 0
- H8<sub>a</sub>: At least one of  $\beta$ Luxurious Environments, Store Design and Decorations  $\neq 0$
- H9<sub>0</sub>:  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping = 0
- H9<sub>a</sub>: At least one of  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping  $\neq 0$
- H10<sub>0</sub>:  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize = 0
- H10<sub>a</sub>: At least one of  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize  $\neq 0$

### 3.4 Survey Instruments

The research selected questionnaire as the instrument to collect data to examine and identify the factors that affecting consumer buying preference towards top three luxury brands including Chanel, Louis Vuitton, and Prada in Bangkok,

Thailand. The question will be short, clear and easy to understand as possible as it can be. The questionnaire divided into four parts:

**Part1: Question asked respondents to select the best brand choice**

Please select your most preferred brand?

Table 3.1: Level of Information Measurement and Criteria

| Question No. | Level Of Measurement | Criteria Classification |
|--------------|----------------------|-------------------------|
| 1            | Nominal              | 1 = Chanel              |
|              |                      | 2 = Louis Vuitton       |
|              |                      | 3 = Prada               |

**Part2: Question asked about the key independent variables for hypothesis testing that influence consumer-buying preference**

Please rate the factors that affect your buying preference in question 1?

- 2.1 Brand Equity
- 2.2 Social Factor
- 2.3 Product
- 2.4 Price
- 2.5 Place
- 2.6 Promotion
- 2.7 People
- 2.8 Physical Evidence
- 2.9 Process

## 2.10 Lifestyle

Table 3.2: Level of Information Measurement and Criteria

| Question No. | Level Of Measurement | Criteria Classification |
|--------------|----------------------|-------------------------|
| 2.1–2.10     | Nominal              | 0 = no effect           |
|              |                      | 1 = most mild effects   |
|              |                      | 2 = very mild effects   |
|              |                      | 3 = mild effects        |
|              |                      | 4 = neutral effects     |
|              |                      | 5 = strong effects      |
|              |                      | 6 = very strong effects |
|              |                      | 7 = most strong effects |

**Part3: Question asked about the element mix of each independent variable that influence consumer-buying preference**

Please rate the factors that affect your buying preference in question 1?

3.1 Brand Equity (8 questions)

- Brand logo
- Brand awareness
- Brand association
- Brand identity
- Brand image



- Brand loyalty
- Perceived Quality
- Value

### 3.2 Social Factors (7 questions)

- Advertisement
- Celebrities influence
- Family social image
- Self-identity
- Social acceptance
- Social media influence
- Social status

### 3.3 Product (7 questions)

- Design and Features
- Differentiation
- Durability
- Exclusivity
- Function
- Material
- Quality

### 3.4 Price (3 questions)

- Range of price
- Reasonable price
- Resale value

### 3.5 Place (3 questions)

- Location
- Convenience
- Number of store

### 3.6 Promotion (3 questions)

- Sale promotion offer
- Membership Rewards
- Special gift

### 3.7 People (4 questions)

- Service-minded employee
- Communication
- Customer relationship
- Skill and creditability

### 3.8 Physical Evidence (2 questions)

- Luxurious environment
- Store design and decorations

### 3.9 Process (4 questions)

- High-end experience
- Services
- After services and warranty
- Online Shopping

### 3.10 Lifestyle (6 questions)

- Luxury lifestyle

- Hard-working
- Materialism
- Modernity
- Party animal
- Socialize

Table 3.3: Level of Information Measurement and Criteria

| Question No. | Level Of Measurement | Criteria Classification |
|--------------|----------------------|-------------------------|
| 3.1–3.10     | Nominal              | 1 = disagree            |
|              |                      | 2 = somewhat disagree   |
|              |                      | 3 = neutral             |
|              |                      | 4 = somewhat agree      |
|              |                      | 5 = strongly agree      |

**Part 4: Demographics, the attendants are required to give personal information as the table below:**

Table 3.4: Level of Information Measurement and Criteria

| Question No. | Variable | Level Of Measurement | Criteria Classification |
|--------------|----------|----------------------|-------------------------|
| 4.1          | Gender   | Nominal              | 1 = Male<br>2 = Female  |

(Continued)

Table 3.4: Level of Information Measurement and Criteria (Continued)

| Question no. | Variable        | Level Of Measurement | Criteria Classification  |
|--------------|-----------------|----------------------|--|
| 4.2          | Age             | Ordinal              | 1 = Less than 18<br>2 = 18–24<br>3 = 25–34<br>4 = 35–44<br>5 = More than 45  |
| 4.3          | Marital Status  | Nominal              | 1 = Single<br>2 = Married<br>3 = Others  |
| 4.4          | Occupation      | Nominal              | 1 = Student<br>2 = Working<br>3 = Self–employed<br>4 = Unemployed<br>5 = Others  |
| 4.5          | Personal Income | Ordinal              | 1 = Less Than 15000 Baht<br>2 = 15000–30000 Baht<br>3 = 30000–40000 Baht<br>4 = 45000–50000 Baht<br>5 = More than 60000 Baht |

### 3.5 Validity and Reliability Assessment

The questionnaire examines two important aspects. First, validity used to ensure that the respondents understand the same common meaning of questionnaire. Second after finished the validity process, respondents can answer based on fact, feeling, and experience as statistical reliability of the questionnaire.

#### 3.5.1 Content Validity

To prove the consistency of the question, the researcher using Index of Item Objective Congruence method (IOC) to calculate the consistency between questions and objective. The consistency index value will be accepted the value at 0.5 or above. The equation as below:

$$IOC = \frac{\sum R}{N}$$

IOC = consistency between the objective and questions.

$\sum R$  = total assessment points given from all qualified experts.

N = number of qualified experts.

After doing the IOC analysis, the question under the value of 0.5 has to be cut off or adapted. The overall IOC score is 0.828, and one question has been cut off because the score is lower 0.5.

#### 3.5.2 Reliability

The researcher first collected 30 sets of questionnaire as a pilot test to examine the reliability of the questionnaire. The reliability test is calculated by using IBM SPSS Statistic software by using Cronbach's alpha coefficient.

| Cronbach's alpha        | Internal consistency |
|-------------------------|----------------------|
| $\alpha \geq 0.9$       | Excellent            |
| $0.9 > \alpha \geq 0.8$ | Good                 |
| $0.8 > \alpha \geq 0.7$ | Acceptable           |
| $0.7 > \alpha \geq 0.6$ | Questionable         |
| $0.6 > \alpha \geq 0.5$ | Poor                 |
| $0.5 > \alpha$          | Unacceptable         |

Figure 3.1: Cronbach's Alpha Formula

Source: Tavakol, M., & Dennick, R. (2011). Making sense of Chronbach's Alpha.

*International Journal of Medical Education, 2, 53–55.*

In general, a score of more than 0.7 is considered as acceptable. The value of Cronbach's alpha coefficient of the 30 pre-set questionnaires is with n of items = 0.917.

Table 3.5: Reliability Statistics

| Variables                            | Number of Items | Cronbach's Alpha |
|--------------------------------------|-----------------|------------------|
| All Parts                            | 58              | .917             |
| Independent Variables                | 10              | .748             |
| Element Mix of Independent Variables | 47              | .914             |
| Brand Equity                         | 8               |                  |
| Social Factors                       | 7               |                  |
| Product                              | 7               |                  |
| Price                                | 3               |                  |

(Continued)

Table 3.5: Reliability Statistics (Continued)

| Variables         | Number of Items | Cronbach's Alpha |
|-------------------|-----------------|------------------|
| Place             | 3               |                  |
| Promotion         | 3               |                  |
| People            | 4               |                  |
| Physical Evidence | 2               |                  |
| Process           | 4               |                  |
| Lifestyles        | 6               |                  |

### 3.6 Data Collection

In this study using two types of data, which can categorize into primary and secondary data. Primary data is the data that has been collected from questionnaires and secondary data is the data which researcher has analyze and studied the information from articles, online articles, journal, and research.

Data collection has been done during October 2016 to January 2017 by distributing the questionnaires to sample group who experienced these three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand. The researcher divided the questionnaire in to four parts, which are brand choice selection, the key independent variables for hypothesis testing, the element mix of each independent variables and demographics.

### 3.7 Statistic for Data Analysis

Data analysis process for this research conducted on a computer program and presented on a format of table of content along with the descriptions. The statistic for data analysis, the researcher uses multinomial logistic regression and descriptive statistic analysis to analyze all the data. Multinomial logistic regression used to analyze between consumers' brand selection, brand equity, social factor, marketing mix (7Ps), consumer lifestyle, and Descriptive statistic analysis used to analyze between consumers' brand selection and demographics.

Why using Multinomial Logistic Regression?

Statistics Solutions stated that like other liner regressions, the multinomial regression is used to describe data and used to explain the relationship between one dependent nominal variable and one or more continuous-level independent variables such as interval, or ratio scale. Multinomial logistic regression is considered as an extension of binomial logistic regression, which allows a dependent variable given one or more than two categories (Lund Research, 2013). Logistic regression using dependent variable to describe the outcome of the stochastic event with a function of cumulated probabilities ranging from 0 to 1. The statisticians stated that one event happens if the probability is lower than 0.5 and the opposite event happens when probability is higher than 0.5.

The multinomial linear regression function can define as below:

$$\text{logity}(y = 1) = \log \left( \frac{p(y = 1)}{1 - (p = 1)} \right) = \beta_0 + \beta_1 \cdot x_{i2} + \dots + \beta_2 \cdot x_{in} \text{ for } i = 1 \dots n .$$

$$\text{logity}(y = 2) = \log \left( \frac{p(y = 2)}{1 - (p = 2)} \right) = \beta_0 + \beta_1 \cdot x_{i2} + \dots + \beta_2 \cdot x_{in} \text{ for } i = 1 \dots n .$$



When using the multinomial logistic regression, part of the process is to ensure that the data can actually be analyzed. There are six assumptions that are required for multinomial logistic regression, if the data passes all the assumptions the result will be validity. The six assumptions are (Lund Research, 2013):

- Dependent variable, which should be measured at the nominal level.
- One or more independent variables, which should be continuous, ordinal, or nominal.
- Independence of observations and the dependent variable should have mutually exclusive and exhaustive categories.
- No multicollinearity.
- A linear relationship between continuous independent variables and the logit transformation of the dependent variable.
- No outliers, high leverage values or highly influential points.

Why using Descriptive Statistic Analysis?

Descriptive statistics used to explain the basic features of the data, which provide the summaries about the sample and the measured (Trochim, 2006).

Descriptive statistics are useful to describing the scale variables and measures the data with large scale. The researcher used a cross-tabulation to summarize the relationship between two categorical variables, which are consumer brand selection and demographics including gender, age, marital status, occupation and personal income.

## CHAPTER 4

### RESEARCH FINDINGS AND DATA ANALYSIS

In this chapter, the researcher presents a complete result and analysis of this study. The result of 400 questionnaires received from surveys and online surveys, which are conducted by conceptual framework and methodology in the previous chapter. The result of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand will be separated in to three part:

4.1 The analysis of multinomial logistic regression method to explain the significant of key independent variables for hypothesis testing (7 Likert scale)

4.2 The analysis of multinomial logistic regression method to figure out significance of element mix of each independent variables including Brand Equity, Marketing mix (7Ps), Social factors, and consumer lifestyle. (5 Likert scale)

4.3 The analysis of descriptive statistics between consumer brand selection and demographics to figure out customer profiling of each brand for segmentation purpose

#### **4.1 The Analysis of Multinomial Logistic Regression Method to Explain the Significant of Key Independent Variables for Hypothesis Testing (7 Likert Scale)**

In this part, the researcher will apply multinomial logistic regression to analyze data. As the researcher mentioned before on previous chapter, Multinomial logistic regression is used to predict a nominal dependent variable with one or more independent variables.

Table 4.1: Hypothesis test: Likelihood Ratio Test

| Effect            | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|-------------------|------------------------------------|------------------------|----|------|
|                   | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Brand Equity      | 595.406 <sup>b</sup>               | 28.536                 | 14 | .012 |
| Social Factors    | 581.856 <sup>b</sup>               | 14.987                 | 14 | .379 |
| Product           | 577.583                            | 10.713                 | 12 | .554 |
| Price             | 579.468 <sup>b</sup>               | 12.599                 | 14 | .558 |
| Place             | 576.185 <sup>b</sup>               | 9.315                  | 14 | .810 |
| Promotion         | 598.151 <sup>b</sup>               | 31.282                 | 14 | .005 |
| People            | 580.762 <sup>b</sup>               | 13.893                 | 14 | .458 |
| Physical Evidence | 587.396 <sup>b</sup>               | 20.527                 | 14 | .114 |
| Process           | 589.707 <sup>b</sup>               | 22.838                 | 14 | .063 |
| Lifestyle         | 602.394                            | 35.525                 | 14 | .001 |

From table 4.1, there are ten factors analyzed in this part:

**Dependent variable:**

Consumer buying preference towards top three luxury fashion brands in

Bangkok, Thailand

**Independent variable:**

H1 Brand Equity

H2 Social Factors

H3 Product

H4 Price

H5 Place

- H6 Promotion
- H7 People
- H8 Physical Evidence
- H9 Process
- H10 Lifestyle

The hypothesis testing results are shown in Table 4.1 as following:

- H1<sub>a</sub> : Brand Equity significantly influences consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.012 < 0.05$ ).
- H2<sub>o</sub> : Social Factors does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.379 > 0.05$ ).
- H3<sub>o</sub> : Product does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton, and Prada in Bangkok, Thailand ( $0.554 > 0.05$ ).
- H4<sub>o</sub> : Price does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.558 > 0.05$ ).
- H5<sub>o</sub> : Place does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.810 > 0.05$ ).

- $H6_a$  : Promotion significantly influences consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.005 < 0.05$ ).
- $H7_o$  : People does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.458 > 0.05$ ).
- $H8_o$  : Physical Evidence does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.114 > 0.05$ ).
- $H9_o$  : Process does not significantly influence consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.063 > 0.05$ ).
- $H10_a$  : Lifestyle significantly influences consumer's buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand ( $0.001 < 0.05$ ).

The SPSS output of multinomial logistic regression shows that p-values of brand equity, promotion, and lifestyle are less than .05. Therefore, we can reject  $H0$  that brand equity, promotion, and lifestyle do not influence luxurious brand choice selection and accept  $H_a$  that all these variables significantly influence luxurious brand choice selection.

**4.2 The Analysis of Multinomial Logistic Regression Method to Figure out Significance of Element Mix of each Independent Variables Including Brand Equity, Marketing Mix (7Ps), Social Factors, and Consumer Lifestyle. (5 Likert Scale)**

In this part, the researcher will apply multinomial logistic regression to analyze the data. Multinomial logistic regression is used to predict a nominal dependent variable with one or more independent variables. In this part, researcher analyzes data between consumers' brand selection, brand equity, social factors, product, price, place, promotion, people, psychical evidence, process and lifestyle.

**4.2.1 Brand Equity**

Table 4.2: Brand Equity Analysis: Likelihood Ratio Tests

| Effect            | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|-------------------|------------------------------------|------------------------|----|------|
|                   | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Brand Logo        | 2690.840 <sup>b</sup>              | 2588.056               | 8  | .000 |
| Brand Awareness   | 128.734 <sup>c</sup>               | 25.950                 | 6  | .000 |
| Brand Association | 222.022 <sup>b</sup>               | 119.238                | 6  | .000 |
| Brand Identity    | 258.324 <sup>d</sup>               | 155.540                | 6  | .000 |
| Brand Image       | 29053.314 <sup>b</sup>             | 28950.530              | 6  | .000 |
| Brand Loyalty     | 434.396 <sup>d</sup>               | 331.612                | 8  | .000 |
| Perceived Quality | 593.979 <sup>b</sup>               | 491.195                | 6  | .000 |
| Value             | 162.960 <sup>b</sup>               | 60.176                 | 6  | .000 |

According to Brand Equity results: we can reject H0 that brand logo, brand awareness, brand association, brand identity, brand image, brand loyalty, perceived quality and value do not influence luxurious brand choice selection and accept Ha that all these variables significantly influence brand choice selection.

- H1.1<sub>a</sub>: Brand Logo significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.2<sub>a</sub>: Brand Awareness significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.3<sub>a</sub>: Brand Association significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.4<sub>a</sub>: Brand Identity significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.5<sub>a</sub>: Brand Image significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.6<sub>a</sub>: Brand Loyalty significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.7<sub>a</sub>: Perceived Quality significantly influences luxurious consumer's brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H1.8<sub>a</sub>: Value significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

### 4.2.2 Social Factors

Table 4.3: Social Factors Analysis: Likelihood Ratio Tests

| Effect                 | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|------------------------|------------------------------------|------------------------|----|------|
|                        | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Advertisement          | 127.525 <sup>b</sup>               | 24.741                 | 8  | .002 |
| Celebrities Influence  | 152.967 <sup>b</sup>               | 50.183                 | 8  | .000 |
| Family Social Image    | 137.330 <sup>b</sup>               | 34.546                 | 8  | .000 |
| Self-Identity          | 1630.741 <sup>b</sup>              | 1527.957               | 8  | .000 |
| Social Acceptance      | 1162.586 <sup>b</sup>              | 1059.802               | 8  | .000 |
| Social Media Influence | 1818.499 <sup>b</sup>              | 1715.715               | 8  | .000 |
| Social Status          | 42051.652 <sup>b</sup>             | 41948.868              | 8  | .000 |

According to Social Factors results: we can reject H<sub>0</sub> that Advertisement, Celebrities Influence, Self-Identity, Social Acceptance, Social Media Influence, and Social Status do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection.

- H<sub>2.1</sub><sub>a</sub>: Advertisement significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.002 < 0.05$ ).
- H<sub>2.2</sub><sub>a</sub>: Celebrities Influence significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H<sub>2.3</sub><sub>a</sub>: Self-Identity significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).



- H2.4<sub>a</sub> : Social Acceptance significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H2.5<sub>a</sub> : Social Media Influence significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H2.6<sub>a</sub> : Social Status significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

### 4.2.3 Product

Table 4.4: Product Analysis: Likelihood Ratio Tests

| Effect             | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|--------------------|------------------------------------|------------------------|----|------|
|                    | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Design and Feature | 415.718 <sup>b</sup>               | 312.934                | 6  | .000 |
| Differentiation    | 121.275 <sup>c</sup>               | 18.491                 | 8  | .018 |
| Durability         | 115.230 <sup>c</sup>               | 12.446                 | 8  | .132 |
| Exclusivity        | 17027.727 <sup>b</sup>             | 16924.944              | 6  | .000 |
| Function           | 610274.214 <sup>b</sup>            | 610171.430             | 8  | .000 |
| Material           | 143.607 <sup>b</sup>               | 40.823                 | 8  | .000 |
| Quality            | 479.721 <sup>b</sup>               | 376.937                | 6  | .000 |

According to Product results: we can reject H0 that Design and Feature, Differentiation, Durability, Exclusivity, Function, Material, and Quality do not influence luxurious brand choice selection and accept Ha that all these variables

significantly influence brand choice selection.

- H3.1<sub>a</sub> : Design and Feature significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H3.2<sub>a</sub> : Differentiation significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.018 < 0.05$ ).
- H3.3<sub>o</sub> : Durability does not significantly influence luxurious brand choice selection in Bangkok, Thailand ( $0.132 > 0.05$ ).
- H3.4<sub>a</sub> : Exclusivity significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H3.5<sub>a</sub> : Function significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H3.6<sub>a</sub> : Material significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H3.7<sub>a</sub> : Quality significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

#### 4.2.4 Price

Table 4.5: Price Analysis: Likelihood Ratio Tests

| Effect           | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|------------------|------------------------------------|------------------------|----|------|
|                  | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Range of Price   | 126.212 <sup>b</sup>               | 23.429                 | 8  | .003 |
| Reasonable Price | 157.834 <sup>b</sup>               | 55.050                 | 8  | .000 |
| Resale Value     | 437490.353 <sup>b</sup>            | 437387.569             | 8  | .000 |

According to Price results, we can reject H<sub>0</sub> that Range of Price, Reasonable Price, and Resale Value do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection.

- H4.1<sub>a</sub> : Range of Price significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.003 < 0.05$ ).
- H4.2<sub>a</sub> : Reasonable Price significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H4.3<sub>a</sub> : Resale Value significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

#### 4.2.5 Place

Table 4.6: Place Analysis: Likelihood Ratio Tests

| Effect          | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|-----------------|------------------------------------|------------------------|----|------|
|                 | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Location        | 118.403 <sup>c</sup>               | 15.619                 | 8  | .048 |
| Convenience     | 109.025 <sup>c</sup>               | 6.242                  | 8  | .620 |
| Number of Store | 280.879 <sup>d</sup>               | 178.096                | 8  | .000 |

According to Place results: we can reject H<sub>0</sub> that Location and Number of Store do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection. However we cannot reject H<sub>0</sub> that Convenience does not influence luxurious brand choice selection. Thus for place, only Location and Number of Stores are being used in consumer's luxurious brand choice decision.

- H5.1<sub>a</sub>: Location significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.048 < 0.05$ ).
- H5.2<sub>o</sub>: Convenience does not significantly influence luxurious brand choice selection in Bangkok, Thailand ( $0.620 > 0.05$ ).
- H5.3<sub>a</sub>: Number of Store significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

#### 4.2.6 Promotion

Table 4.7: Promotion Analysis: Likelihood Ratio Tests

| Effect               | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|----------------------|------------------------------------|------------------------|----|------|
|                      | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Sale Promotion Offer | 3009.817 <sup>b</sup>              | 2907.033               | 8  | .000 |
| Membership Rewards   | 7861.377 <sup>b</sup>              | 7758.593               | 8  | .000 |
| Special Gifts        | 145.317 <sup>b</sup>               | 42.533                 | 8  | .000 |

According to Promotion results: we can reject H<sub>0</sub> that Sale Promotion Offer, Membership Rewards, and Special Gifts do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection.

- H<sub>6.1</sub><sub>a</sub>: Sale Promotion Offer significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H<sub>6.2</sub><sub>a</sub>: Membership Rewards significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H<sub>6.3</sub><sub>a</sub>: Special Gifts significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).

### 4.2.7 People

Table 4.8: People Analysis: Likelihood Ratio Tests

| Effect                  | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|-------------------------|------------------------------------|------------------------|----|------|
|                         | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Service-Minded          | 141.715 <sup>b</sup>               | 38.931                 | 8  | .000 |
| Communication           | 119.030 <sup>c</sup>               | 16.246                 | 8  | .039 |
| Customer Relationship   | 400.285 <sup>d</sup>               | 297.501                | 8  | .000 |
| Skill and Creditability | 72454.399 <sup>b</sup>             | 72351.615              | 6  | .000 |

According to People results: we can reject H<sub>0</sub> that Service-Mined Employee, Communication, Customer Relationship, and Skill and Creditability do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection.

- H7.1<sub>a</sub>: Service-Mined Employee significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).
- H7.2<sub>a</sub>: Communication significantly influences luxurious brand choice selection in Bangkok, Thailand (0.039 < 0.05).
- H7.3<sub>a</sub>: Customer Relationship significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).
- H7.4<sub>a</sub>: Skill and Creditability significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).

#### 4.2.8 Physical Evidence

Table 4.9: Physical Evidence Analysis: Likelihood Ratio Tests

| Effect                       | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|------------------------------|------------------------------------|------------------------|----|------|
|                              | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Luxurious Environment        | 111.646 <sup>c</sup>               | 8.863                  | 6  | .181 |
| Store Design and Decorations | 206.924 <sup>d</sup>               | 104.140                | 6  | .000 |

According to Physical Evidence results: we can reject H<sub>0</sub> that Luxurious Environment, and Store Design and Decorations do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection. The results are:

- H<sub>8.1</sub><sub>o</sub>: Luxurious Environment does not significantly influence luxurious brand choice selection in Bangkok, Thailand (0.181 > 0.05).
- H<sub>8.2</sub><sub>a</sub>: Store Design and Decorations significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).

### 4.2.9 Process

Table 4.10: Process Analysis: Likelihood Ratio Tests

| Effect                         | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|--------------------------------|------------------------------------|------------------------|----|------|
|                                | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| High-end Experience            | 121.375 <sup>c</sup>               | 18.591                 | 6  | .005 |
| Services                       | 118.017 <sup>b</sup>               | 15.233                 | 8  | .055 |
| After Services and<br>Warranty | 174.596 <sup>d</sup>               | 71.812                 | 6  | .000 |
| Online Shopping                | 165.478 <sup>d</sup>               | 62.694                 | 8  | 0.00 |

According to Process results: we can reject H<sub>0</sub> that Services, After Services and Warranty, and Online Shopping do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection.

- H9.1<sub>a</sub>: High-end Experience significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.005 < 0.05$ ).
- H9.2<sub>o</sub>: Services does not significantly influence luxurious brand choice selection in Bangkok, Thailand ( $0.055 > 0.05$ ).
- H9.3<sub>a</sub>: After Services and Warranty significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H9.4<sub>a</sub>: Online Shopping significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).



#### 4.2.10 Lifestyle

Table 4.11: Lifestyle Analysis: Likelihood Ratio Tests

| Effect           | Model Fitting Criteria             | Likelihood Ratio Tests |    |      |
|------------------|------------------------------------|------------------------|----|------|
|                  | -2 Log Likelihood of Reduced Model | Chi-Square             | df | Sig. |
| Luxury Lifestyle | 239.253 <sup>b</sup>               | 136.470                | 8  | .000 |
| Hard-Working     | 3582.170 <sup>b</sup>              | 3479.387               | 8  | .000 |
| Materialism      | 287.142 <sup>d</sup>               | 184.359                | 8  | .000 |
| Modernity        | 106.592 <sup>c</sup>               | 3.808                  | 8  | .874 |
| Party Animal     | 8398.305 <sup>b</sup>              | 8295.521               | 8  | .000 |
| Socialize        | 136.823 <sup>b</sup>               | 34.039                 | 8  | .000 |

According to Lifestyle results: we can reject H<sub>0</sub> that Luxury Lifestyle, Hard-Working, Materialism, Party Animal, and Socialize do not influence luxurious brand choice selection and accept H<sub>a</sub> that all these variables significantly influence brand choice selection. However we cannot reject H<sub>0</sub> that Modernity does not influence luxurious brand choice selection. Thus for place, only Luxury Lifestyle, Hard-Working, Materialism, Party Animal, and Socialize are being used in consumer's luxurious brand choice decision.

- H<sub>10.1</sub><sub>a</sub> : Luxury Lifestyle significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).
- H<sub>10.2</sub><sub>a</sub> : Hard-Working significantly influences luxurious brand choice selection in Bangkok, Thailand (0.000 < 0.05).

- H10.3<sub>a</sub>: Materialism significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H10.4<sub>o</sub>: Modernity does not significantly influence luxurious brand choice selection in Bangkok, Thailand ( $0.874 > 0.05$ ).
- H10.5<sub>a</sub>: Party Animal significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.000 < 0.05$ ).
- H10.6<sub>a</sub>: Socialize significantly influences luxurious brand choice selection in Bangkok, Thailand ( $0.015 < 0.05$ ).

#### **4.3 The analysis of descriptive statistics between consumer brand selection and demographics to figure out customer profiling of each brand for segmentation purpose**

In this part, the researcher will apply descriptive statistic analysis to analyze data. The descriptive statistics analysis used to analyze a relationship between consumers' brand selection and demographics including gender, age, marital status, occupation and personal income.

### 4.3.1 Gender of Respondents

Table 4.12: Gender of Respondents: Descriptive Statistics Analysis

| Gender |                          | Preferred Brand |               |       | Total |
|--------|--------------------------|-----------------|---------------|-------|-------|
|        |                          | Chanel          | Louis Vuitton | Prada |       |
| Male   | Count                    | 87              | 69            | 20    | 176   |
|        | % within Gender          | 49.4%           | 39.2%         | 11.4% | 100%  |
|        | % within Preferred Brand | 41.0%           | 56.1%         | 30.8% | 44.0% |
|        | % of Total               | 21.8%           | 17.3%         | 5.0%  | 44.0% |
| Female | Count                    | 125             | 54            | 45    | 224   |
|        | % within Gender          | 55.8%           | 24.1%         | 20.1% | 100%  |
|        | % within Preferred Brand | 59.0%           | 43.9%         | 69.2% | 56.0% |
|        | % of Total               | 31.3%           | 13.5%         | 11.3% | 56.0% |
| Total  | Count                    | 212             | 123           | 65    | 400   |
|        | % within Gender          | 53.0%           | 30.8%         | 16.3% | 100%  |
|        | % within Preferred Brand | 100%            | 100%          | 100%  | 100%  |
|        | % of Total               | 53.0%           | 30.8%         | 16.3% | 100%  |

According to the result of 400 respondents:

- 212 respondents (53%) selected Chanel, which can separate into 87 male and 125 female.
- 123 respondents (30.8%) selected Louis Vuitton, which can separate into 69 male and 54 female.

- 65 respondents (16.3%) selected Prada, which can separate into 20 male and 45 female.

The most consumers' preferred brand based on this research is Chanel and the brand that male selected over female is Louis Vuitton, which is 69 male (39.2%) and 54 female (24.1%).

### 4.3.2 Age of Respondents

Table 4.13: Age of Respondents: Descriptive Statistics Analysis

| Age      | Preferred Brand          |               |       | Total |       |
|----------|--------------------------|---------------|-------|-------|-------|
|          | Chanel                   | Louis Vuitton | Prada |       |       |
| Under 18 | Count                    | 4             | 3     | 0     | 7     |
|          | % within Age             | 57.1%         | 42.9% | 0.0%  | 100%  |
|          | % within Preferred Brand | 1.9%          | 2.4%  | 0.0%  | 1.8%  |
|          | % of Total               | 1.0%          | 0.8%  | 0.0%  | 1.8%  |
| 18–24    | Count                    | 53            | 29    | 11    | 93    |
|          | % within Age             | 57.0%         | 31.2% | 11.8% | 100%  |
|          | % within Preferred Brand | 25.0%         | 23.6% | 16.9% | 23.3% |
|          | % of Total               | 13.3%         | 7.3%  | 2.8%  | 23.3% |

(Continued)

Table 4.13 (Continued): Age of Respondents: Descriptive Statistics Analysis

| Age     |                          | Preferred Brand |               |       | Total |
|---------|--------------------------|-----------------|---------------|-------|-------|
|         |                          | Chanel          | Louis Vuitton | Prada |       |
| 25–34   | Count                    | 119             | 72            | 37    | 228   |
|         | % within Age             | 52.2%           | 31.6%         | 16.2% | 100%  |
|         | % within Preferred Brand | 56.1%           | 58.5%         | 56.9% | 57.0% |
|         | % of Total               | 29.8%           | 18.0%         | 9.3%  | 57.0% |
| 35–44   | Count                    | 29              | 17            | 11    | 57    |
|         | % within Age             | 50.9%           | 29.8%         | 19.3% | 100%  |
|         | % within Preferred Brand | 13.7%           | 13.8%         | 16.9% | 14.3% |
|         | % of Total               | 7.3%            | 4.3%          | 2.8%  | 14.3% |
| Over 45 | Count                    | 7               | 2             | 6     | 15    |
|         | % within Age             | 46.7%           | 13.3%         | 40.0% | 100%  |
|         | % within Preferred Brand | 3.3%            | 1.6%          | 9.2%  | 3.8%  |
|         | % of Total               | 1.8%            | 0.5%          | 1.5%  | 3.8%  |
| Total   | Count                    | 212             | 123           | 65    | 400   |
|         | % within Age             | 53.0%           | 30.8%         | 16.3% | 100%  |
|         | % within Preferred Brand | 100%            | 100%          | 100%  | 100%  |
|         | % of Total               | 53.0%           | 30.8%         | 16.3% | 100%  |

According to the result of 400 respondents:

- 7 respondents (1.8%) aged under than 18 year olds: 4 respondents selected Chanel, 3 respondents selected Louis Vuitton and none of them selected Prada.
- 93 respondents (23.3%) aged between 18–24 year olds: 53 respondents selected Chanel, 29 respondents selected Louis Vuitton, and 11 respondents selected Prada.
- 228 respondents (57.0%) aged between 25–34 year olds: 119 respondents selected Chanel, 72 respondents selected Louis Vuitton, and 37 respondents selected Prada.
- 57 respondents (14.3%) aged between 35–44 year olds: 29 respondents selected Chanel, 17 respondents selected Louis Vuitton, and 11 respondents selected Prada.
- 15 respondents (3.8%) aged over than 45 years old: 7 respondents selected Chanel, 2 respondents selected Louis Vuitton, and 6 respondents selected Prada.

Chanel has the highest percentage of consumer's brand selection all over the aged, which mostly over 50% except aged over than 45 years old that has only 46.7%. 42.9% of respondents aged under than 18 years old selected and 31.6% of aged between 25–34 year olds selected Louis Vuitton. The highest percentage of consumer who preferred Prada is respondents who aged over than 45 year olds (40%), which are 6 respondents from 15 respondents.

### 4.3.3 Marital Status of Respondents

Table 4.14: Marital Status of Respondents: Descriptive Statistics Analysis

| Marital Status |                          | Preferred Brand |               |       | Total |
|----------------|--------------------------|-----------------|---------------|-------|-------|
|                |                          | Chanel          | Louis Vuitton | Prada |       |
| Single         | Count                    | 164             | 96            | 40    | 300   |
|                | % within Marital Status  | 54.7%           | 32.0%         | 13.3% | 100%  |
|                | % within Preferred Brand | 77.4%           | 78.0%         | 61.5% | 75.0% |
|                | % of Total               | 41.0%           | 24.0%         | 10.0% | 75.0% |
| Married        | Count                    | 42              | 23            | 24    | 89    |
|                | % within Marital Status  | 47.2%           | 25.8%         | 27.0% | 100%  |
|                | % within Preferred Brand | 19.8%           | 18.7%         | 36.9% | 22.3% |
|                | % of Total               | 10.5%           | 5.8%          | 6.0%  | 22.3% |
| Other          | Count                    | 6               | 4             | 1     | 11    |
|                | % within Marital Status  | 54.5%           | 36.4%         | 9.1%  | 100%  |
|                | % within Preferred Brand | 2.8%            | 3.3%          | 1.5%  | 2.8%  |
|                | % of Total               | 1.5%            | 1.0%          | 0.3%  | 2.8%  |
| Total          | Count                    | 212             | 123           | 65    | 400   |
|                | % within Marital Status  | 53.0%           | 30.8%         | 16.3% | 100%  |
|                | % within Preferred Brand | 100%            | 100%          | 100%  | 100%  |
|                | % of Total               | 53.0%           | 30.8%         | 16.3% | 100%  |

According to the result of 400 respondents:

- 300 respondents (75%) are single: 164 respondents selected Chanel, 96 respondents selected Louis Vuitton, and 40 respondents selected Prada.
- 89 respondents (22.3%) are married: 42 respondents selected Chanel, 23 respondents selected Louis Vuitton, and 24 respondents selected Prada.
- 11 respondents (2.8%) have other status: 6 respondents selected Chanel, 4 respondents selected Louis Vuitton, and 1 respondent selected Prada.

Chanel has the highest scores in every marital status.

#### 4.3.4 Occupation of Respondents

Table 4.15: Occupation of Respondents: Descriptive Statistics Analysis

| Occupation |                          | Preferred Brand |               |       | Total |
|------------|--------------------------|-----------------|---------------|-------|-------|
|            |                          | Chanel          | Louis Vuitton | Prada |       |
| Student    | Count                    | 37              | 30            | 10    | 77    |
|            | % within Occupation      | 48.1%           | 39.0%         | 13.0% | 100%  |
|            | % within Preferred Brand | 17.5%           | 24.4%         | 15.4% | 19.3% |
|            | % of Total               | 9.3%            | 7.5%          | 2.5%  | 19.3% |
| Working    | Count                    | 107             | 54            | 25    | 186   |
|            | % within Occupation      | 57.5%           | 29.0%         | 13.4% | 100%  |
|            | % within Preferred Brand | 50.5%           | 43.9%         | 38.5% | 46.5% |
|            | % of Total               | 26.8%           | 13.5%         | 6.3%  | 46.5% |

(Continued)



Table 4.15 (Continued): Occupation of Respondents: Descriptive Statistics Analysis

| Occupation    |                          | Preferred Brand |               |       | Total |
|---------------|--------------------------|-----------------|---------------|-------|-------|
|               |                          | Chanel          | Louis Vuitton | Prada |       |
| Self-employed | Count                    | 44              | 28            | 24    | 96    |
|               | % within Occupation      | 45.8%           | 29.2%         | 25.0% | 100%  |
|               | % within Preferred Brand | 20.8%           | 22.8%         | 36.9% | 24.0% |
|               | % of Total               | 11.0%           | 7.0%          | 6.0%  | 24.0% |
| Unemployed    | Count                    | 7               | 2             | 1     | 10    |
|               | % within Occupation      | 70.0%           | 20.0%         | 10.0% | 100%  |
|               | % within Preferred Brand | 3.3%            | 1.6%          | 1.5%  | 2.5%  |
|               | % of Total               | 1.8%            | 0.5%          | 0.3%  | 2.5%  |
| Others        | Count                    | 17              | 9             | 5     | 31    |
|               | % within Occupation      | 54.8%           | 29.0%         | 16.1% | 100%  |
|               | % within Preferred Brand | 8.0%            | 7.3%          | 7.7%  | 7.8%  |
|               | % of Total               | 4.3%            | 2.3%          | 1.3%  | 7.8%  |
| Total         | Count                    | 212             | 123           | 65    | 400   |
|               | % within Occupation      | 53.0%           | 30.8%         | 16.3% | 100%  |
|               | % within Preferred Brand | 100%            | 100%          | 100%  | 100%  |
|               | % of Total               | 53.0%           | 30.8%         | 16.3% | 100%  |

According to the result of 400 respondents:

- 77 respondents (19.3%) are student: 37 respondents selected Chanel, 30 respondents selected Louis Vuitton, and 10 respondents selected Prada.
- 186 respondents (46.5%) are working: 107 respondents selected Chanel, 54 respondents selected Louis Vuitton, and 25 respondents selected Prada.
- 96 respondents (24%) are self-employed: 44 respondents selected Chanel, 28 respondents selected Louis Vuitton, and 24 respondents selected Prada,
- 10 respondents (2.5%) are unemployed: 7 respondents selected Chanel, 2 respondents selected Louis Vuitton, and 1 respondent selected Prada.
- 31 respondents (7.8%) have other occupation: 17 respondents selected Chanel, 9 respondents selected Louis Vuitton, and 5 respondents selected Prada.
- 57.5% or 107 respondents who working preferred Chanel, while 30 respondents or 39% of students selected Louis Vuitton.

### 4.3.5 Personal Income of Respondents

Table 4.16: Personal Income of Respondents: Descriptive Statistics Analysis

| Personal Income  | Preferred Brand          |               |       | Total |       |
|------------------|--------------------------|---------------|-------|-------|-------|
|                  | Chanel                   | Louis Vuitton | Prada |       |       |
| Under 15000 Baht | Count                    | 27            | 14    | 6     | 47    |
|                  | % within Personal Income | 57.4%         | 29.8% | 12.8% | 100%  |
|                  | % within Preferred Brand | 12.7%         | 11.4% | 9.2%  | 11.8% |
|                  | % of Total               | 6.8%          | 3.5%  | 1.5%  | 11.8% |
| 15000–30000 Baht | Count                    | 66            | 36    | 18    | 120   |
|                  | % within Personal Income | 55.0%         | 30.0% | 15.0% | 100%  |
|                  | % within Preferred Brand | 31.1%         | 29.3% | 27.7% | 30.0% |
|                  | % of Total               | 16.5%         | 9.0%  | 4.5%  | 30.0% |
| 30000–45000 Baht | Count                    | 62            | 35    | 18    | 115   |
|                  | % within Personal Income | 53.9%         | 30.4% | 15.7% | 100%  |
|                  | % within Preferred Brand | 29.2%         | 28.5% | 27.7% | 28.8% |
|                  | % of Total               | 15.5%         | 8.8%  | 4.5%  | 28.8% |
| 45000–60000 Baht | Count                    | 25            | 29    | 10    | 64    |
|                  | % within Personal Income | 39.1%         | 45.3% | 15.6% | 100%  |
|                  | % within Preferred Brand | 11.8%         | 23.6% | 15.4% | 16.0% |
|                  | % of Total               | 6.3%          | 7.3%  | 2.5%  | 16.0% |

(Continued)

Table 4.16 (Continued): Personal Income of Respondents: Descriptive Statistics

## Analysis

| Personal Income |                          | Preferred Brand |               |       | Total |
|-----------------|--------------------------|-----------------|---------------|-------|-------|
|                 |                          | Chanel          | Louis Vuitton | Prada |       |
| Over 60000      | Count                    | 32              | 9             | 13    | 54    |
| Baht            | % within Personal Income | 59.3%           | 16.7%         | 24.1% | 100%  |
|                 | % within Preferred Brand | 15.1%           | 7.3%          | 20.0% | 13.5% |
|                 | % of Total               | 8.0%            | 2.3%          | 3.3%  | 13.5% |
| Total Baht      | Count                    | 212             | 123           | 65    | 400   |
|                 | % within Personal Income | 53.0%           | 30.8%         | 16.3% | 100%  |
|                 | % within Preferred Brand | 100%            | 100%          | 100%  | 100%  |
|                 | % of Total               | 53.0%           | 30.8%         | 16.3% | 100%  |

According to the result of 400 respondents:

- 47 respondents (11.8%) have personal income lower than 15000 baht: 27 respondents selected Chanel, 14 respondents selected Louis Vuitton, and 6 respondents selected Prada.
- 120 respondents (30%) have personal income between 15000 to 30000 baht: 66 respondents selected Chanel, 36 respondents selected Louis Vuitton, and 18 respondents selected Prada.
- 115 respondents (28.8%) have personal income between 30000 to 45000 baht: 62 respondents selected Chanel, 35 respondents selected Louis Vuitton, and 18 respondents selected Prada.

- 64 respondents (16%) have personal income between 45000 to 60000 baht: 25 respondents selected Chanel, 29 respondents selected Louis Vuitton, and 10 respondents selected Prada.
- 54 respondents (13.5%) have personal income higher than 60000 baht: 32 respondents selected Chanel, 9 respondents selected Louis Vuitton, and 13 respondents selected Prada.

The highest percentage of people who preferred Chanel based on this survey is people who have personal income between 15000 to 30000 baht. Respondents who have personal income between 45000 to 60000 baht are most preferred Louis Vuitton (45.3%). Only 16.7% of respondents with more than 60000 baht preferred Louis Vuitton lower than people who preferred Prada (24.1%).

## CHAPTER 5

### DISCUSSION AND CONCLUSION

In this Chapter, it's present a summary of overall important component of this research, along with discussion, and recommendations and some opinions for the future related research.

The researcher's main purpose is to study the factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand. This research is conducted for beneficial purpose to marketing experts, business owners, Thai's Fashion enterprises, and many more. The result of this study be a guideline for Thai's enterprise to positioning their brand, to planning and adapting marketing strategies in order to raise more advantages over competitors, to understand consumers' behavior, and increasing company demand.

The study of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand, has two objective of study as:

- Identify the marketing factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada
- Understanding the consumer behavior that affecting consumer buying preference in Bangkok, Thailand.

Following the conceptual framework in order to analyzed and explored consumer-buying decision; the hypotheses are as the following:

Since P-value of  $\beta$ Brand Equity  $< .05$ ; therefore, we can reject null hypothesis and conclude that brand equity significantly influences consumer's buying preference in Bangkok.

- H1<sub>o</sub>:  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value = 0
- H1<sub>a</sub>: At least one of  $\beta$ Brand Logo, Brand Awareness, Brand Association, Brand Identity, Brand Image, Brand Loyalty, Perceived Quality, Value  $\neq 0$

Since P-value of  $\beta$ Social Factors  $> .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that social factors significantly influences consumer's buying preference in Bangkok.

- H2<sub>o</sub>:  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status = 0
- H2<sub>a</sub>: At least one of  $\beta$ Advertisement, Celebrities Influence, Family Social Image, Self-identity, Social Acceptance, Social Media Influence, Social Status  $\neq 0$

Since P-value of  $\beta$ Product  $> .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that product significantly influences consumer's buying preference in Bangkok.

- H3<sub>o</sub>:  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality = 0
- H3<sub>a</sub>: At least one of  $\beta$ Design and Feature, Differentiation, Durability, Exclusivity, Function, Materials, Quality  $\neq 0$

Since P-value of  $\beta_{\text{Price}} > .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that price significantly influences consumer's buying preference in Bangkok.

- H4<sub>o</sub>:  $\beta_{\text{Range of Price, Reasonable Price, Resale Value}} = 0$
- H4<sub>a</sub>: At least one of  $\beta_{\text{Range of Price, Reasonable Price, Resale Value}} \neq 0$

Since P-value of  $\beta_{\text{Place}} > .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that place significantly influences consumer's buying preference in Bangkok.

- H5<sub>o</sub>:  $\beta_{\text{Location, Convenience, Number of Store}} = 0$
- H5<sub>a</sub>: At least one of  $\beta_{\text{Location, Convenience, Number of Store}} \neq 0$

Since P-value of  $\beta_{\text{Promotion}} < .05$ ; therefore, we can reject null hypothesis and conclude that promotion significantly influences consumer's buying preference in Bangkok.

- H6<sub>o</sub>:  $\beta_{\text{Sale Promotion Offer, Membership Rewards, Special gift}} = 0$
- H6<sub>a</sub>: At least one of  $\beta_{\text{Sale Promotion Offer, Membership Rewards, Special gift}} \neq 0$

Since P-value of  $\beta_{\text{People}} > .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that people significantly influences consumer's buying preference in Bangkok.

- H7<sub>o</sub>:  $\beta_{\text{Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability}} = 0$
- H7<sub>a</sub>: At least one of  $\beta_{\text{Service-Minded Employee, Communication, Customer Relationship, Skill and Creditability}} \neq 0$



Since P-value of  $\beta$  Physical Evidence  $> .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that physical evidence significantly influences consumer's buying preference in Bangkok.

- H8<sub>o</sub>:  $\beta$ Luxurious Environments, Store Design and Decorations = 0
- H8<sub>a</sub>: At least one of  $\beta$ Luxurious Environments, Store Design and Decorations  $\neq 0$

Since P-value of  $\beta$  Process  $> .05$ ; therefore, we cannot reject null hypothesis and cannot conclude that process significantly influences consumer's buying preference in Bangkok.

- H9<sub>o</sub>:  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping = 0
- H9<sub>a</sub>: At least one of  $\beta$ Hi-end Experience, Services, After Services and Warranty, Online Shopping  $\neq 0$

Since P-value of  $\beta$ Lifestyle  $< .05$ ; therefore, we can reject null hypothesis and conclude that lifestyle significantly influences consumer's buying preference in Bangkok.

- H10<sub>o</sub>:  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize = 0
- H10<sub>a</sub>: At least one of  $\beta$ Luxury Lifestyle, Hard-working, Materialism, Modernity, Party Animal, Socialize  $\neq 0$

This independent study is a qualitative research, researcher using survey and online survey as tools for data collection process. Population of the research is people who lived in Bangkok and experienced these three luxury fashion brands including Chanel, Louis Vuitton and Prada. The total number of sample group is 400

respondents: 176 are male and 224 are female. This questionnaire divided into four parts, which are brand choice selection, the key independent variables, the element mix of independent variable and demographics.

### 5.1 Conclusions and Discussion

The most preferred brand is Chanel with the number 212 out of 400 respondents (or 53.0%), second is Louis Vuitton with the number 123 out of 400 respondents (or 30.8%), and the last one is Prada with the number 65 of 400 respondents (or 16.3%). The analysis of Cross Tabulation shows that:

- The majority respondents of Chanel brand are female with the number of 125 (or 59.0% within preferred brand), are in range 25–34 years old (or 56.1% within preferred brand), are single (164 out of 212 respondents), are working (107 of 212 respondents or 57.5%), and their personal income are between 15000 –30000 baht (or 31.1% within preferred brand).
- The majority respondents of Louis Vuitton brand are male with the number of 69 (or 56.1% within preferred brand), are in range 25–34 years old (or 58.5% within preferred brand), are single (96 out of 123 respondents), are working (54 of 123 respondents or 43.9%), and their personal income are between 15000–30000 baht (or 29.3% within preferred brand).
- The majority respondents of Prada brand are female with the number of 45 (or 69.2% within preferred brand), are in range 25–34 years old (or 56.9% within preferred brand), are single (40 out of 65 respondents), are working (25 of 65 respondents or 38.5%), and their personal income are between

15000–30000 and 30000–45000 baht (both are 27.7% within preferred brand).

After analyzing with the multinomial logistic regression of the significant factors, the output highlight the main reasons why people selected the brand as following:

Brand Equity, 117 of 400 respondents selected very strong effects (or 29.3%). The results of brand equity are:

- 185 respondents selected somewhat agree on brand logo (or 46.3%)
- 175 respondents selected somewhat agree on brand awareness (or 43.8%)
- 168 respondents selected somewhat agree on brand association (or 42.0%)
- 187 respondents selected somewhat agree on brand identity (or 46.8%)
- 190 respondents selected on brand image (or 47.5%)
- 164 respondents selected somewhat agree on brand loyalty (or 41.0%)
- 191 respondents selected strongly agree on perceived quality (or 47.8%)
- 195 respondents selected strongly agree on value (or 48.8%).

Social Factors, 122 of 400 respondents selected very strong effects (or 30.5%). The results of social factors are:

- 164 respondents selected somewhat agree on advertisement (or 41.0%)
- 171 respondents selected somewhat agree on celebrities influence (or 42.8%)
- 207 respondents selected somewhat agree on family social image (or 51.8%)
- 183 respondents selected somewhat agree on self-identity (or 45.8%)
- 189 respondents selected somewhat agree on social acceptance (or 47.3%)

- 198 respondents selected somewhat agree on social media (or 49.5%)
  - 172 respondents selected somewhat agree on social status (or 43.0%).
- Product, 141 of 400 respondents selected very strong effects (or 35.3%).

The results of product are:

- 196 respondents selected somewhat agree on design and feature (or 49.0%)
  - 163 respondents selected somewhat agree on differentiation (or 40.8%)
  - 176 respondents selected somewhat agree on durability (or 44.0%)
  - 153 respondents selected somewhat agree on exclusivity (or 38.8%)
  - 185 respondents selected somewhat agree on function (or 46.3%)
  - 196 respondents selected somewhat agree on material (or 49.0%)
  - 200 respondents selected strongly agree on quality (or 50.0%).
- Price, 129 of 400 respondents selected very strong effects (or 32.3%).

The results of price are:

- 152 respondents selected somewhat agree on range of price (or 44.8%)
- 179 respondents selected somewhat agree on reasonable price (or 44.8%)
- 179 respondents selected somewhat agree on resale value (or 44.8%).

Place, 107 of 400 respondents selected strong effects (or 26.8%). The results

of place are:

- 180 respondents selected somewhat agree on location (or 45.0%)
- 195 respondents selected somewhat agree on convenience (or 48.8%)
- 173 respondents selected somewhat agree on number of store (or 43.3%).

Promotion, 113 of 400 respondents selected very strong effects (or 28.3%).

The results of promotion are:

- 152 respondents selected somewhat agree on sale promotion (or 38.0%)
- 148 respondents selected somewhat agree on membership (or 37.0%)
- 169 respondents selected somewhat agree on special gift (or 42.3%).

People, 107 of 400 respondents selected very strong effects (or 26.8%). The results of people are:

- 173 respondents selected somewhat agree on service-minded (or 43.3%)
- 172 respondents selected somewhat agree on communication (or 43.0%)
- 180 respondents selected somewhat agree on customer relationship (or 45.0%)
- 194 respondents selected somewhat agree on skill and creditability (or 48.5%).

Physical Evidence, 124 of 400 respondents selected strong effects (or 31.0%).

The results of physical evidence are:

- 183 respondents selected somewhat agree on luxurious environments (or 45.8%)
- 200 respondents selected somewhat agree on store design and decorations (or 50.0%).

Process, 118 of 400 respondents selected very strong effects (or 29.5%). The results of process are:

- 177 respondents selected somewhat agree on high-end experience (or 44.3%)

- 179 respondents selected somewhat agree on services (or 44.8%)
  - 171 respondents selected strongly agree on after services and warranty (or 42.8%)
  - 162 respondents selected somewhat agree on online shopping (or 40.5%)
- Lifestyle, 119 of respondents selected strong effects (or 29.8%). The results

of lifestyles are:

- 184 respondents selected somewhat agree on luxury lifestyle (or 46.0%)
- 194 respondents selected somewhat agree on hard-working (or 48.5%)
- 179 respondents selected somewhat agree on materialism (or 44.8%)
- 211 respondents selected somewhat agree on modernity (52.8%)
- 179 respondents selected somewhat agree on party animal (or 44.8%)
- 178 respondents selected somewhat agree on socialize (or 44.5%).

## 5.2 Managerial Implications

In a recent year, brand name products affecting Thai people in terms of social factors and lifestyles. Social faces and social status play a big role in Thai society, along with the influences of foreign culture that changed Thai people lifestyle. In business terms, marketing experts, business owners, Thai entrepreneur can use the results of this study to see and understand the factors that affecting consumer buying preference in Bangkok, Thailand. Brand equity, promotion, and consumer lifestyle are the key factors that affecting consumer buying decision. To fulfill consumer needs, companies also need to concern about social factors, product, price, place, salesperson, physical evidence, process or services too. The author propose the recommendations as follow:

Firstly, brand image is very important. Nowadays, brand represents its products and services quality. People mostly selected the brand they believe in, so company should create the trust to their consumers through communication such as consumer relation, advertising, and more.

Secondly, as many people in the society concerned about their social faces, the company could diversify the prices of the product so consumers can have more choices. Create a variety of price range to support the consumer with different income.

Thirdly, Luxury fashion business is based on consumers' satisfaction so process and services are important. As a consumer, they expected to get the high-end service experience, company should consider on salesperson ability such as to communicate well, know all the product information, so they can serve more professional.

### **5.3 Recommendation for Future Research**

As overall, the research results are achieved its objectives, which is to identify the factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand. Through the results of study can be use as a guideline and recommendations for marketing people, Thailand fashion industries, or related field. According to this paper, it was limited only three brands and in Bangkok only, so the future research can have a comparative study with other brand, other city, or more in demographics that could be added for the next future research.

Lastly, the understanding of consumer preferences and consumer buying decision can help the companies in creating a good marketing strategy, and improve their business demand.





**BIBLIOGRAPHY**

- Aaker, D. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. London: WPP Group.
- Aaker, D. (2016). *What is brand equity and why is it valuable?*. Retrieved from <https://www.prophet.com/thinking/2013/09/156-what-is-brand-equity-and-why-is-it-valuable/>.
- Acutt, M. (2015). *The marketing mix 4P's and 7P's explained*. Retrieved from <http://marketingmix.co.uk>.
- Anjum, B., Dhanda, S., & Nagra, S. (2012). *Impact of celebrity endorsed advertisements on consumers*. Retrieved from <http://indianresearchjournals.com/pdf/apjmmr/2012/october/2.pdf>.
- Arienti, P. (2016). *Global powers of luxury goods 2016: Global power of luxury goods top 100*. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/consumer-business/luxury-goods-2016.pdf>.
- Babbie, E. (2010). *The basic of social research* (7<sup>th</sup> ed.). Belmont, Calif: Wadsworth.
- Babbie, E., & Benaquisto, L. (2010). *Fundamentals of social research* (2<sup>nd</sup> ed.). Toronto, ON: Nelson.
- Bennett, S. (2013). *5 reasons why social media is so influential*. Retrieved from <http://www.adweek.com/digital/social-media-influential/>.
- Berger, J. (2008). *What influences your brand choice as a consumer?*. Retrieved from <http://economictimes.indiatimes.com/brand-equity/what-influences-your-brand-choice-as-a-consumer/articleshow/2936505.cms>.

- Bhasin, H. (2016). *Service marketing mix–7P's of marketing*. Retrieved from <http://www.marketing91.com/service-marketing-mix/>.
- Blanchflower, D. G., & Oswald, A. J. (2000). *Well-being over time in Britain and the USA*. Retrieved from <http://www.dartmouth.edu/~blnchflr/papers/Wellbeingnew.pdf>.
- Brand equity models and measurement*. (2016). Retrieved from <http://www.insightsassociation.org/issues-policies/best-practice/brand-equity-models-and-measurement>.
- Brand identity–definition and concept*. (2010). Retrieved from <http://www.managementstudyguide.com/brand-identity.htm>.
- Chadha, R., & Husband, P. (2006). *Inside Asia's love affair with luxury: The cult of the luxury brand*. London: Nicholas Brealey.
- Chans, F. (2015). *Utility maximization model*. Retrieved from [http://staffwww.fullcoll.edu/fchan/Micro/3utility\\_maximization\\_model.htm](http://staffwww.fullcoll.edu/fchan/Micro/3utility_maximization_model.htm).
- Coco Chanel biography*. (2016). Retrieved from <http://www.biography.com/people/coco-chanel-9244165#synopsis>.
- Coffin, T. (2014). *The defination of brand image*. Retrieved from <https://www.quora.com/What-is-the-definition-of-brand-image-with-examples>.
- Crawford, D., Boding, R., & Hogle, R. (1993). *The school for quality learning*. Champaign, IL: Research.
- Digitizing #luxury brands*. (2016). Retrieved from <http://www.wolffolins.com/views/1351854940/digitizing-luxury-brands>.

- Farooq, U. (2011). *5 stage of buying decision process: Consumer decision process*. Retrieved from <http://www.studylecturenotes.com/management-sciences/marketing/190-consumer-buying-decision-process>
- Glaser, W. (1998). *The Glasser approach: Choice theory*. Retrieved from <http://www.wglasser.com/the-glasser-approach/choice-theory>.
- Greathouse, M. (2015). *Prada: A 5 minute history*. Retrieved from <https://www.tradesy.com/blog/prada-a-5-minute-history/>.
- Gunelius, S. (2013). *What is brand loyalty and why your brand needs it building brand loyalty*. Retrieved from <https://aytm.com/blog/research-junction/building-brand-loyalty-part-1/>.
- Hablorow, O. (2012). *Louis Vuitton*. Retrieved from <http://www.vogue.co.uk/article/louis-vuitton>.
- Hoffman, E. (1999). *The right to be human. A biography of Abraham Maslow*. New York: McGraw Hill.
- Jiang, P., & Jones, D. (2014). *An exploratory study of factors affecting consumer international online shopping*. Retrieved from <http://www.igi-global.com/article/an-exploratory-study-of-factors-affecting-consumer-international-online-shopping-behavior/114183>.
- Jitpleecheep, P. (2012). *Louis Vuitton introduces Siam Paragon Shop*. Retrieved from <https://www.pressreader.com/thailand/bangkok-post/20120707/281990374625289>.
- Johnston, E. (2016). *5 steps to understanding your customer's buying process*. Retrieved from <https://www.b2bmarketing.net/en/resources/blog/5-steps-understanding-your-customers-buying-process>.

- Johnson, E., Pham, M., & Johar, G. (2014). *Consumer behavior and marketing*. Retrieved from <http://www.columbia.edu/~tdp4/SPHBP2007.pdf>.
- Keller, K. (2016). *Seven benefits of brand equity*. Retrieved from <http://www.insightsassociation.org/issues-policies/best-practice/brand-equity-models-and-measurement>.
- Louis Vuitton biography.com*. (2014). Retrieved from <http://www.biography.com/people/louis-vuitton-17112264>.
- Lovell, A. (2015). *What does luxury retail actually mean?*. Retrieved from <https://www.linkedin.com/pulse/what-does-luxury-retail-actually-mean-andy-lovell>.
- Luxury goods in Thailand*. (2016). Retrieved from <http://www.euromonitor.com/luxury-goods-in-thailand/report>.
- Marketing 101: The buyer decision process: Evaluation of alternatives*. (2015). Retrieved from <http://marketmedialife.blogspot.com/2013/03/marketing-101-buyer-decision-process.html>.
- Maslow, A.H. (1943). A theory of human motivation. *Psychological Review*, 50, 370–396.
- Mathapati, A. (2014). *Brand associations*. Retrieved from <http://www.slideshare.net/akashcm/brand-associations-31378666>.
- McLeod, S. (2007). *Maslow's hierarchy of needs*. Retrieved from <http://www.simplypsychology.org/maslow.html>.

- Mei-lian, L., Haibo, L., & Qiong, S. (2012). *Brand choice model based on web consumer brand preferences*. Retrieved from <http://www.freepatentsonline.com/article/International-Journal-Business-Research/312171909.html>.
- Melymbrose, J. (2016). *How to define your core brand values (and why you should)*. Retrieved from <https://business.tutsplus.com/tutorials/how-to-define-your-core-brand-values-and-why-you-should--cms-26301>.
- Mull, A. (2016). *10 things every handbag lover should know about chanel flap bags*. Retrieved from <http://www.purseblog.com/guides/chanel-flap-bag-facts-history/>.
- Niles, R. (2010). *Survey sample sizes and margin of error*. Retrieved from <http://www.robertniles.com/stats/margin.shtml>.
- Nueno, S., & Quelch J. (1998). The mass marketing of luxury. *Business Horizons*, 6, 61–68.
- Offers, A. (2015). *What does luxury retail mean today?*. Retrieved from <https://www.linkedin.com/pulse/what-does-luxury-retail-actually-mean-andy-lovell> .
- Penn, S. (2007). *Business theories of buying behavior*. Retrieved from <http://smallbusiness.chron.com/business-theories-buying-behavior-13883.html>.
- Phataranawik, P. (2012). *Louis Vuitton opens fourth Thai boutiques at Siam Paragon*. Retrieved from <http://www.pressreader.com/thailand/the-nation/20120707/281578057764974>.

- Prada Japan flourishes.* (2015). Retrieved From <https://insideretail.asia/2015/08/10/prada-japan-flourishes/>.
- Bughin, J. (2015). *Getting a sharper picture of social media's influence.* Retrieved from <http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/getting-a-sharper-picture-of-social-medias-influence>.
- Radnor, A. (2010). *Celebrities and their influence.* Retrieved from [http://www.teenink.com/opinion/entertainment\\_celebrities/article/82342/Celebrities-and-Their-Influence/](http://www.teenink.com/opinion/entertainment_celebrities/article/82342/Celebrities-and-Their-Influence/).
- Riley, J. (2016). *Marketing & buyer behaviour—the decision–marketing process.* Retrieved from <http://www.tutor2u.net/business/reference/marketing-buyer-behaviour-the-decision-making-process>.
- Saxena, V. (2015). *Yamane formula.* Retrieved from <https://www.quora.com/What-is-Yamane-sample-calculation>.
- Senft, A. (2011). *History of prada.* Retrieved from <http://www.fashionintime.org/prada/>.
- Shane, D. (2014). *6 ways to create a positive brand perception.* Retrieved from <https://smallbiztrends.com/2014/01/create-positive-brand-perception.html>.
- Smith, K. (2016). *Exploring the identity of a brand: How to discover and measure brand associations.* Retrieved from <https://www.brandwatch.com/blog/discover-measure-brand-associations/>
- Solomon, M. R., Marshall, G. W., Stuart, E. W. (2009). *Marketing: real people, real choice* (8<sup>th</sup> ed.). Australia: Pearson Education.

- Somma, M. (2014). *Brand perceptions: Perceived quality rules the day*. Retrieved from <https://www.brandingstrategyinsider.com/2014/03/brand-perceptions-perceived-quality-rules-the-day.html#.WKqoABh7FE4>.
- Sullo, B. (2011). *The ten axioms of choice theory*. Retrieved from <http://www.choicetheory.com/ct.htm>.
- Tavakol, M., & Dennick, R. (2011). Making sense of Chronbach's Alpha. *International Journal of Medical Education*, 2, 53–55.
- Tracy, B. (2004). *Marketing mix (price, place promotion, product)*. Retrieved from <http://businesscasestudies.co.uk/business-theory/marketing/marketing-mix-price-place-promotion-product.html#axzz4ZDI02BZY>.
- Trochim, W. (2006). *Descriptive statistics*. Retrieved from <http://www.socialresearchmethods.net/kb/statdesc.php>.
- Tunstall, D. (2013). *Brand thinking*. Retrieved from <https://www.brainpickings.org/2013/05/01/brand-thinking-debbie-millman/>.
- Umar, F. (2011). *5 stages of buying decision process: Consumer decision process*. Retrieved from <http://www.studylecturenotes.com/management-sciences/marketing/190-consumer-buying-decision-process>.
- Vliet, V. (2013). *Marketing mix 4P's by McCarthy*. Retrieved from <http://www.toolshero.com/marketing/marketing-mix-4p-mccarthy/>.
- Vineeth, A. (2007). *Brand image*. Retrieved from <https://www.slideshare.net/air/brand-image>.
- Yamane, T. (1973). *Statistic: An introductory analysis* (3<sup>rd</sup> ed.). New York: Harper & Row.

Zeithaml, V. A., & Bitner, M. J., (2007). *Services marketing*. Singapore:  
McGraw–Hill.







## Appendix A: Questionnaire

As a part of MBA Independent Study course in Bangkok University, the researcher conducted a survey that investigate “ The factors that affecting consumer-buying preference towards top three luxury fashion brands in Bangkok: Chanel, Louis Vuitton, and Prada. Any information obtained in connection with this study that can be identified with you will remain confidential. The research will appreciate if the attendant completes the following question.

This survey is divided into 4 parts:

1. Brand Choice Selection
2. The Key Independent Variables
3. The Element Mix of Independent Variables
4. Demographics

**“The study of factors that affecting consumer buying preference towards top three luxury fashion brands including Chanel, Louis Vuitton and Prada in Bangkok, Thailand”**

**PART I** Please check the circle that best corresponds to your answer for the question below.

**Q.1 Please select your most preferred brand?**

- Chanel
- Louis Vuitton
- Prada



**PART III** Please rate the following factors that affect your buying preference in question1?

|                    |                             |                          |
|--------------------|-----------------------------|--------------------------|
| <b>1= Disagree</b> | <b>2= Somewhat Disagree</b> | <b>3= Neutral</b>        |
|                    | <b>4=Somewhat Agree</b>     | <b>5= Strongly Agree</b> |

|                            | <i>Disagree</i> |   |   |   | <i>Strongly Agree</i> |
|----------------------------|-----------------|---|---|---|-----------------------|
|                            | 1               | 2 | 3 | 4 | 5                     |
| <b>3.1 Brand Equity</b>    |                 |   |   |   |                       |
| Brand Logo                 |                 |   |   |   |                       |
| Brand Awareness            |                 |   |   |   |                       |
| Brand Association          |                 |   |   |   |                       |
| Brand Identity             |                 |   |   |   |                       |
| Brand Image                |                 |   |   |   |                       |
| Brand Loyalty              |                 |   |   |   |                       |
| Perceived Quality          |                 |   |   |   |                       |
| Value                      |                 |   |   |   |                       |
| <b>3.2 Social Factors</b>  | 1               | 2 | 3 | 4 | 5                     |
| Advertisement              |                 |   |   |   |                       |
| Celebrities Influence      |                 |   |   |   |                       |
| Family Social Image        |                 |   |   |   |                       |
| Self-identity (Uniqueness) |                 |   |   |   |                       |
| Social Acceptance          |                 |   |   |   |                       |
| Social Media Influence     |                 |   |   |   |                       |
| Social Status              |                 |   |   |   |                       |

|                         |                             |                   |
|-------------------------|-----------------------------|-------------------|
| <b>1= Disagree</b>      | <b>2= Somewhat Disagree</b> | <b>3= Neutral</b> |
| <b>4=Somewhat Agree</b> | <b>5= Strongly Agree</b>    |                   |

|                          | <i>Disagree</i> |   |   |   | <i>Strongly Agree</i> |
|--------------------------|-----------------|---|---|---|-----------------------|
|                          | 1               | 2 | 3 | 4 | 5                     |
| <b>3.3 Product</b>       |                 |   |   |   |                       |
| Design and Feature       |                 |   |   |   |                       |
| Differentiation          |                 |   |   |   |                       |
| Durability (Usage)       |                 |   |   |   |                       |
| Exclusivity              |                 |   |   |   |                       |
| Function                 |                 |   |   |   |                       |
| Material                 |                 |   |   |   |                       |
| Quality                  |                 |   |   |   |                       |
| <b>3.4 Price</b>         | 1               | 2 | 3 | 4 | 5                     |
| Range of Price           |                 |   |   |   |                       |
| Reasonable Price         |                 |   |   |   |                       |
| Resale Value             |                 |   |   |   |                       |
| <b>3.5 Place</b>         | 1               | 2 | 3 | 4 | 5                     |
| Location                 |                 |   |   |   |                       |
| Convenience (Easy to go) |                 |   |   |   |                       |
| Number of Store          |                 |   |   |   |                       |

|                         |                             |                   |
|-------------------------|-----------------------------|-------------------|
| <b>1= Disagree</b>      | <b>2= Somewhat Disagree</b> | <b>3= Neutral</b> |
| <b>4=Somewhat Agree</b> | <b>5= Strongly Agree</b>    |                   |

|                                    | <i>Disagree</i> |   |   | <i>Strongly Agree</i> |   |
|------------------------------------|-----------------|---|---|-----------------------|---|
|                                    | 1               | 2 | 3 | 4                     | 5 |
| <b>3.6 Promotion</b>               |                 |   |   |                       |   |
| Sale Promotion Offer               |                 |   |   |                       |   |
| Membership Rewards                 |                 |   |   |                       |   |
| Special gift                       |                 |   |   |                       |   |
| <b>3.7 People</b>                  | 1               | 2 | 3 | 4                     | 5 |
| Service-Minded Employee            |                 |   |   |                       |   |
| Communication (Information Giving) |                 |   |   |                       |   |
| Customer Relationship              |                 |   |   |                       |   |
| Skill and Creditability            |                 |   |   |                       |   |
| <b>3.8 Physical Evidence</b>       | 1               | 2 | 3 | 4                     | 5 |
| Luxurious Environments             |                 |   |   |                       |   |
| Store Design and Decorations       |                 |   |   |                       |   |
| <b>3.9 Process or Services</b>     | 1               | 2 | 3 | 4                     | 5 |
| High-end Experience                |                 |   |   |                       |   |
| Services                           |                 |   |   |                       |   |
| After Services and Warranty        |                 |   |   |                       |   |
| Online shopping                    |                 |   |   |                       |   |

|                         |                             |                   |
|-------------------------|-----------------------------|-------------------|
| <b>1= Disagree</b>      | <b>2= Somewhat Disagree</b> | <b>3= Neutral</b> |
| <b>4=Somewhat Agree</b> | <b>5= Strongly Agree</b>    |                   |

|                       | <i>Disagree</i> |   |   | <i>Strongly Agree</i> |   |
|-----------------------|-----------------|---|---|-----------------------|---|
| <b>3.10 Lifestyle</b> | 1               | 2 | 3 | 4                     | 5 |
| Luxury Lifestyle      |                 |   |   |                       |   |
| Hard-Working          |                 |   |   |                       |   |
| Materialism           |                 |   |   |                       |   |
| Modernity             |                 |   |   |                       |   |
| Party Animal          |                 |   |   |                       |   |
| Socialize             |                 |   |   |                       |   |

### **PART III Demographics (Background)**

#### **Gender:**

- Male
- Female

#### **Age:**

- Under 18 years old
- 18–24 years old
- 25–34 years old
- 35–44 years old
- Over 45 years old

**Marital Status:**

- Single
- Married
- Others

**Occupation:**

- Student
- Working
- Self-employed
- Unemployed
- Others

**Personal Income:**

- Less than 150000 Baht
- 15000–30000 Baht
- 30000–45000 Baht
- 45000–60000 Baht
- More than 60000 Baht



## Appendix B: Content Validity

To prove the consistency of the question, the researcher using Index of Item Objective Congruence method (IOC) to calculate the consistency between questions and objective. The consistency index value will be accepted the value at 0.5 or above, and the equation is:

$$IOC = \frac{\sum R}{N}$$

IOC = consistency between the objective and questions.

$\Sigma R$  = total assessment points given from all qualified experts.

N = number of qualified experts.

Index of Item–Objective Congruence (IOC) from three experts result are as follows:

| No. | Question | Expert 1 |   |    | Expert 2 |   |    | Expert 3 |   |    | Total Score | IOC $\Sigma$ | Total Scores $\Sigma$ |
|-----|----------|----------|---|----|----------|---|----|----------|---|----|-------------|--------------|-----------------------|
|     |          | 1        | 0 | -1 | 1        | 0 | -1 | 1        | 0 | -1 |             |              |                       |
| 1   | 1        | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 2   | 2.1      |          | ✓ |    | ✓        |   |    | ✓        |   |    | 2           | 0.67         | Acceptable            |
| 3   | 2.2      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 4   | 2.3      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 2           | 0.67         | Acceptable            |
| 5   | 2.4      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 6   | 2.5      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 2           | 0.67         | Acceptable            |
| 7   | 2.6      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 3           | 1            | Acceptable            |
| 8   | 2.7      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 3           | 1            | Acceptable            |
| 9   | 2.8      | ✓        |   |    |          | ✓ |    | ✓        |   |    | 2           | 0.67         | Acceptable            |
| 10  | 2.9      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 11  | 2.10     | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 12  | 2.11     | ✓        |   |    |          | ✓ |    |          | ✓ |    | 1           | 0.34         | Acceptable            |
| 13  | 3.1      |          | ✓ |    | ✓        |   |    | ✓        |   |    | 2           | 0.67         | Acceptable            |
| 14  | 3.2      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 15  | 3.3      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |

| No. | Question | Expert 1 |   |    | Expert 2 |   |    | Expert 3 |   |    | Total Score | IOC $\Sigma$ | Total Scores $\Sigma$ |
|-----|----------|----------|---|----|----------|---|----|----------|---|----|-------------|--------------|-----------------------|
|     |          | 1        | 0 | -1 | 1        | 0 | -1 | 1        | 0 | -1 |             |              |                       |
| 16  | 3.4      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 2           | 0.67         | Acceptable            |
| 17  | 3.5      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 18  | 3.6      | ✓        |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 19  | 3.7      | ✓        |   |    |          | ✓ |    |          | ✓ |    | 2           | 0.67         | Acceptable            |
| 20  | 3.8      | ✓        |   |    | ✓        |   |    |          | ✓ |    | 3           | 1            | Acceptable            |
| 21  | 3.9      | ✓        |   |    |          | ✓ |    | ✓        |   |    | 2           | 0.67         | Acceptable            |
| 22  | 3.10     |          |   |    | ✓        |   |    | ✓        |   |    | 3           | 1            | Acceptable            |
| 23  | 3.11     |          | ✓ |    |          | ✓ |    | ✓        |   |    | 1           | 0.34         | Deny                  |

There are three levels of assessment point:

- +1 means the question is certainly consistent
- 0 means the question is unsure to be consistent
- -1 means the question is inconsistent

Where:

IOC = consistency between the objective and questions.

$\Sigma R$  = total assessment points given from all qualified experts.

N = number of qualified experts.

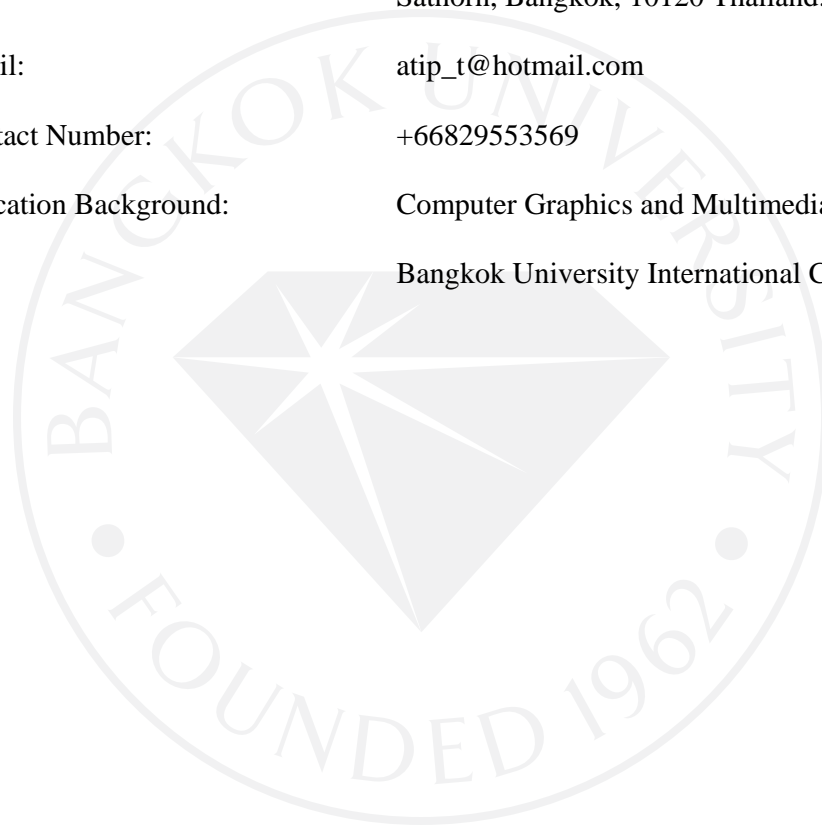
$$\begin{aligned}\text{Therefore } \text{IOC} &= \frac{19.04}{23} \\ &= 0.828\end{aligned}$$

The assessment result is equal 0.828, and there are two questions that have IOC index less than 0.5.



**BIODATA**

Name: Atip Thepsongkroh  
Date of Birth: December 25, 1990  
Address: 46 Sathupradit 12 Road, Thungwatdorn,  
Sathorn, Bangkok, 10120 Thailand.  
Email: atip\_t@hotmail.com  
Contact Number: +66829553569  
Education Background: Computer Graphics and Multimedia  
Bangkok University International College



Bangkok University

License Agreement of Dissertation/Thesis/ Report of Senior Project

Day 30 Month August Year 2017

Mr./ Mrs./ Ms Atip Thepsongkroh now living at 4b  
Soi - Street Sathupradit 12 Road  
Sub-district Thungwatdorn District Sathorn  
Province Bangkok Postal Code 10120 being a Bangkok  
University student, student ID \_\_\_\_\_

Degree level  Bachelor  Master  Doctorate

Program M.B.A. Department - School Graduate School

hereafter referred to as "the licensor"

Bangkok University 119 Rama 4 Road, Klong-Toey, Bangkok 10110 hereafter referred to as "the licensee"

Both parties have agreed on the following terms and conditions:

1. The licensor certifies that he/she is the author and possesses the exclusive rights of dissertation/thesis/report of senior project entitled

The Study of Factors that Affecting Consumer Buying Preference towards Top Three Luxury Fashion Brands Including Chanel, Louis Vuitton and Prada in Bangkok, Thailand

submitted in partial fulfillment of the requirement for M.B.A. of Bangkok University (hereafter referred to as "dissertation/thesis/ report of senior project").


2. The licensor grants to the licensee an indefinite and royalty free license of his/her dissertation/thesis/report of senior project to reproduce, adapt, distribute, rent out the original or copy of the manuscript.

3. In case of any dispute in the copyright of the dissertation/thesis/report of senior project between the licensor and others, or between the licensee and others, or any other inconveniences in regard to the copyright that prevent the licensee from reproducing, adapting or distributing the manuscript, the licensor agrees to indemnify the licensee against any damage incurred.

This agreement is prepared in duplicate identical wording for two copies. Both parties have read and fully understand its contents and agree to comply with the above terms and conditions. Each party shall retain one signed copy of the agreement.

 \_\_\_\_\_ Licensor

(  )

 \_\_\_\_\_ Licensee  
(Director, Library and Learning Center)

 \_\_\_\_\_ Witness

(Dean, Graduate School)

 \_\_\_\_\_ Witness

(Program Director)