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Signature:

Supervisor name: MISS SITINOR WARDATULAINA BINTI MOHD YUSOF

Date:

Signature:

Panel name: DR.JUHAINI BINTI JABAR

Date:

FACTORS INFLUENCING YOUTH PURCHASE INTENTION TOWARDS
LUXURY FASHION BRANDS

SITI FATIMAH BINTI ABDUL HAMID

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“I hereby declare that the work of this research is mine except for the quotations summaries that have been duly acknowledged”

Signature:

Name: SITI FATIMAH BINTI ABDUL HAMID

Date:

DEDICATION

I express my sincere thanks to my father and mother, Mr. Abdul Hamid Bin Bakar and Mdm Rohani Binti Hassan for their biggest support and pray for me to finish this project. Millions thanks to Miss Siti Nor Wardatulaina Binti Mohd Yusof for always supporting me when I needed help. Thank you very much to all my friends, who always help and advice me and together with me in completing this project for always together with me in any situation. I really love to all of you. May all of you get well-being in this world and the hereafter.

In Shaa ALLAH.

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ABSTRACT

Luxury brand can be say as highest income elasticity of demand, as individual become wealthier; they will buy more and more of the luxury good. Luxury fashion brands have always been a fascinating space and luxury brand seen as more exclusive and versatile. Luxury fashion brand not only needs to generate the desire for the seasonal collections, but at the same time it must also always making a new collections, so it would be continuously desirable and inspirational by fashion lover. As young generation, youth are in process to find and create their self-identity. They have intention to buy luxury fashion brand to show-off to their peers. In this research, there are three objectives that need to be achieve, customer profile in luxury fashion brands, factors in youth purchase intention towards luxury fashion brands, and most influencing youth purchase intention towards luxury fashion brands.

ABSTRAK

Jenama mewah boleh dikatakan sebagai keanjalan pendapatan tertinggi permintaan, sebagai individu menjadi kaya ; mereka akan membeli lebih banyak dan lebih baik mewah. Jenama fesyen mewah sememangnya merupakan ruang dan mewah jenama menarik dilihat sebagai lebih eksklusif dan serba boleh. Jenama fesyen mewah bukan sahaja perlu menjana keinginan untuk koleksi bermusim , tetapi pada masa yang sama ia juga perlu sentiasa membuat koleksi baru , jadi ia akan berterusan wajar dan inspirasi oleh kekasih fesyen. Sebagai generasi muda , belia adalah dalam proses untuk mencari dan mewujudkan identiti diri mereka. Mereka mempunyai niat untuk membeli jenama fesyen mewah untuk menunjukkan kepada rakan-rakan mereka . Dalam kajian ini , terdapat tiga objektif yang perlu dicapai, profil pelanggan dalam jenama fesyen mewah, faktor-faktor dalam belia niat pembelian terhadap jenama fesyen mewah , dan yang paling niat pembelian mempengaruhi belia ke arah jenama fesyen mewah.

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LIST OF SYMBOL

B	=	Beta
°	=	Null
%	=	Percentage
R	=	Point of estimate
R₂	=	Point of estimate Square
P	=	Value

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CHAPTER ONE

INTRODUCTION

This chapter will briefly explain about the research background, problem statement, and list of objectives. Besides that, this chapter also explains about the scope and key assumptions of the research. The significance of the study will be state in this chapter.

1.1 Research Background

A definition of luxury is depending on who you ask and in what context. The term luxury has never been something easy to define. In my view, luxury is holding their own quality and something exclusive with high price where usually elite people would buy it.

There is a different between the perception of youth in Pahang and youth in Kuala Lumpur. For example, youth in Pahang are thinking Sembonia is luxury handbag whereas youth in Kuala Lumpur seeing Louis Vuitton as luxury handbag, and this view is supported by in Euromonital International; the perception of brands as luxurious and trends in buying behaviors is different between developed and emerging markets and even between regions.

Luxury fashion brands have always been a fascinating space and luxury brand seen as more exclusive and versatile. Luxury fashion brand not only needs to generate the desire for the seasonal collections, but at the same time it must also always making a new collections, so it would be continuously desirable and inspirational by fashion lover. In this modern era, the culture of using luxury fashion brand does not only appeal to the high-class people but also to the middle-class and low class people (Tovikkai & Jirawattananukool, 2010) As we can see, there are many luxury fashion brands outlet in Malaysia, especially in metropolitan city, Kuala Lumpur. This also shows that citizens of Malaysia are following the latest fashion trends. There are many purpose of people are buying the luxury fashion brands, some of them is to reward themselves after doing hard work or to show off their personality to boost their self-esteem.

Based on Malaysia Demographic Profile in 2014, the dependency ratio of youth is 37.4 percent. This portrays that youth have big buying power. There are youth that buying luxury fashion brand to satisfy them. As everybody knows youth is an energetic with own charisma, they also in phase of finding their own identity which they want to become the best among their peers.

Maslow Hierarchy of needs forward ideology that human needs is arranged in a hierarchy (Kotler & Armstrong, 2012). Based on that, Maslow theorized that people have to fulfill their basic needs such as food, water, and shelter is before they can start

fulfilling higher-level needs. Have you ever go to shopping when you were tired or hungry? Everybody have a need to feel respected; this includes the need to have self-esteem and self-respect. Esteem presents the typical person desire to be accepted and valued by others. Most people have a need for stable self-respect and self-esteem.

Therefore, youth have purchase intention towards luxury fashion brands to fulfill their physiological needs. Purchasing a luxury fashion brand is an esteem need where it portrays prestige and feeling of accomplishment. If individual are buying normal fashion brands, it is basic needs, because basic needs is only to fulfill physiological needs such as food, shelter and clothes.

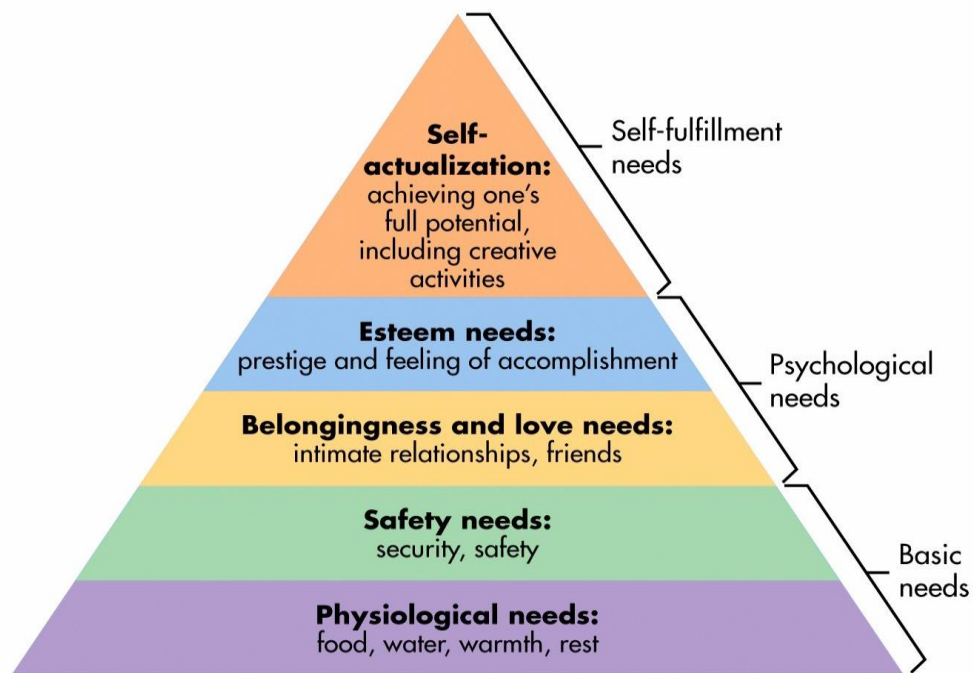


Figure 1: Maslow's Hierarchy of Needs

People with high self-esteem are to be more certain about their own attributes. People with low self-esteem did not have a well defined, clear and not even a negative self-image. The relationship between low self-esteem and unclear self-knowledge appears based on a feedback mechanism. Low self-esteem mediates diverse information about oneself, which causes low clarity (Alvandi, Fazli & Najafi 2013).

This study focuses on the young generation in Malaysia because of some reasons. First, to know youth profiles in luxury fashion brands. Secondly, to find factors in youth purchase intention towards luxury fashion brands at the period of youth, these customer segments have their unique consumer behaviors and attitudes. Thirdly, to identify the most influencing youth purchase intention towards luxury fashion brands.

1.2 Problem Statement

Luxury brand can be say as highest income elasticity of demand, as individual become wealthier; they will buy more and more of the luxury good. Although the technical term luxury good is independent of the goods quality, they are general considered goods at the highest end of the market in terms of quality and price. Classic luxury goods include haute couture clothing, accessories, and luggage. Many markets have a luxury segment including automobile, wine, bottled water, tea, watches, jewelry, and chocolate. In consumer mind, luxury brand must be come in very expensive price. It is quite hard to attract young generation to purchase high-end fashion brands since they are seems not really stable in income.

Youth has seen as a transition from a dependent childhood to independent adulthood. As young generation, youth are in process to find and create their self-identity. They have intention to buy luxury fashion brand to show-off to their peers. Young people are moving to a world of choice and risk where they have to choose and plan their own orientation and social integration. Adulthood considered as the time when young people become financially self-sufficient. The increase in the length of studies, especially through participation in higher education, combined with difficulties in getting the first job and access to affordable housing have increased the length of the transition from youth to independence.

Income is a main source to youth to buy luxury fashion brands. Most of youth are not stable in terms of their income because they have another commitment such as housing loan, car loan and personal loan. These will affect their purchase intention which is they do not have extra money to buy a luxury fashion brands. This research is to let marketers knows factors influencing youth purchase intention towards luxury fashion brand.

1.3 Research Questions

This research examined the following key issues:

- 1) What is the customer profile in luxury fashion brands?
- 2) What are the factors in youth purchase intention towards luxury fashion brands?
- 3) What is the most influencing youth purchase intention towards luxury fashion brands?

1.4 Research Objectives

This research aims for these three objectives:

- 1) To study customer profiles in luxury fashion brands.
- 2) To determine factors in youth purchase intention towards luxury fashion brands.
- 3) To identify the most influencing youth purchase intention towards luxury fashion brands.

1.5 Scope and Key Assumption of the Research

1.5.1 Scope

The scope of this research is to study the factor influencing the youth purchase intention towards luxury fashion brands. There are many factors that we can consider to influence youth purchase intention towards luxury fashion brand. In this research, we are choosing personal value, social recognition and demographic as a factor of influencing youth purchase intention towards luxury fashion brands.

1.5.2 Key Assumption

This research provides the major factor influence youth purchase intention towards luxury fashion brands. Besides that, it defines the relationship between personal values, social recognition and demographic with the positive results of youth purchase intention towards luxury fashion brands.

1.5.3 Significance of the Research

According to this research, the significant of this study are applied to two parties, which are the researcher itself, and the marketers who are in luxury fashion brands field. This research is significant to other researcher or academician as to be their guidance in other research in order to be their reference to complete their research. This research also significant to fashion industry which can help marketers to know their potential customer and about the youth purchase intention to create their strategies to boost their income and profit.

1.6 Summary

This chapter establishes foundations for this research. It has introduced the research problem, research objectives, research questions significant of research, and scope of this study. Based on these research foundations, the researcher can now proceed to a literature review as reported in chapter two.

CHAPTER TWO

LITERATURE REVIEW

This chapter reviews of literature on major focus of the research. This research focuses on the youth purchase intention towards luxury fashion brand. In this section, we will look through about what the previous studies, books, and journals discussed about purchase intention and luxury fashion brand. Besides that, this chapter also includes the theoretical framework of the research.

2.1 Youth Purchase Intention towards Luxury Fashion Brands

Because the study concerns the attitudes of young people, so we are looking at concept and traits of young people more accurately. Finding a definition of youth is not an easy task. Youth is a transition from a dependent childhood to independent adulthood. Young people are moving to a world of choice and risk where they have to choose and plan their own orientation and social integration. Adulthood is considered as the time when young people become financially self-sufficient.

Purchase intentions represent what we think we will buy (Blackwell, D'Souza, Taghian, Miniard, & Engel, 2006). As youth, there must be a desire where they want to buy a luxury fashion brands but they are facing some obstacles on buying it. They thinking that they will buy the luxury fashion brands in the other time where they think they have enough money to buy it. The purchase intention applied in this study is use to measure youth purchase intention towards luxury fashion brands.

It is cogitated that fashion is always plays a significant role in the history of the great civilizations. Currently in Egyptian, Greece, and Roman Empires, fashion is a key social element that reflected the society through apparel, accessories, and cosmetics. With the clear differences between social classes on consumption of luxury was limited to the elite classes (Haataja, 2011). Malaysia is going to be like Egyptian, Greece and Roman Empires, which is make a fashion as key of social element. Malaysia also organized Malaysia Fashion Weeks and offer to designer from other country to take parts such as from Taiwan, Singapore, Indonesia, Vietnam, South Korea, and Philippines (Cheong, 2014) This portrays that Malaysian are really take parts in fashion field especially youth.

Luxury goods are attractive not only to those who can afford them, but also to consumers on lower income, who cannot afford such products due to their high prices (Stravinskiene, Dovaliene & Ambrazeviciute, 2014). In this sense, it shows that price is always the main factor for motivating youth to choose an alternative to luxury fashion brands.

2.2 Demographic

Demography is very useful for understanding social and economic problems and identifies the solution (Thomson, 2007). There are two demographic variables, which are age, and income level, are used to explain the youth purchase intention toward luxury fashion brands. Young consumers in different age have different behavior. A nineteen years old consumer may behave differently with a twenty-five years old consumer (Madahi & Sukati, 2012).

The increasing ages of the person, the more extensive knowledge of luxury goods, so they will have a purchase intention towards luxury fashion brand of these marketers can speculate purchase intention of youth. This is because different levels of age have different level of taste. For example, the majority of younger people are more likely to choose a bright and daring design whereas older people are more to classical design. As with gender, without much conviction, about whether there are differences in the quality of the processes used by youths, adults, and retired persons. The variable age should be include into account, especially when attempting to investigate from a naturalistic perspective, because this focus is specific based on subjects experience and competence, which are normal acquired with age (Lizárraga, Baquedano & Elawar, 2007).

As income increase, the perception of the value of time change (Akhter, 2003) Income closely related to the opportunity cost of time. The luxury industry has increased impressively having a huge growth in demand. The luxury consumer is powerful. Consumers have much choice in products, shopping channels and pricing of luxury goods (Haataja, 2011). In the same research, Haataja, 2011 also say there are two things relating to luxury: the monetary capacity to pay the price of quality and a propensity to appreciate the object's artistic, creativity and sensuous dimensions something beyond mere practicality.