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**FACTORS INFLUENCING YOUNG
VIETNAMESE PEOPLE'S
DECISION WHEN CHOOSING
LUXURY FASHION ONLINE
STORES**



BACHELOR'S THESIS | ABSTRACT

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FACTORS INFLUENCING YOUNG VIETNAMESE PEOPLE'S DECISION WHEN CHOOSING LUXURY FASHION ONLINE STORES

The thesis explores the underlying motivations behind young Vietnamese consumers' choice to shop luxury fashion products on the internet and the factors influencing their choice of online stores. The target of the research are young Vietnamese people living in Vietnam aged between 20 and 29.

The research was built around the theory of online retail attributes, luxury fashion online consumer behavior, and luxury fashion online marketing and examined different motivations and online store's elements, primarily based on literature from Uche Okonkwo (2007) *Luxury Fashion Branding: Trends, Tactics, Techniques*. A survey was designed using quantitative method to test the importance of these motivations and factors to the target group. The research collected 42 answers from a sample group of 120 contacts.

The research finds out that convenience, information availability of the products, available products and services, and cost and time efficiency are the main motivations for young Vietnamese people to shop online for luxury fashion products. When choosing a luxury fashion online store, young Vietnamese people consider web design, secure transactions, product range, product visual presentation, product information, price, promotion, shipping costs, return and exchange policy, customer services performance, and editorial contents the important factors for their choice of where to shop.

The thesis findings provide information about young Vietnamese fashion luxury consumers for luxury fashion brands and online stores. Based on the thesis findings, they can improve the performance of their online presence in order to attract this consumer group.

KEYWORDS:

Luxury, luxury fashion, online retail, online shopping, online store, online consumer behavior, online marketing, young Vietnamese people

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LIST OF ABBREVIATIONS (OR) SYMBOLS

1 INTRODUCTION

1.1 Background

Luxury fashion has long been a topic that interests both the fashion industry's veterans and enthusiasts alike. Ranging from everyday clothes, dresses, formal outfit to accessories like bags, jewelry and watches, luxury items are not only the high-quality, good-looking pieces of clothing that people want to put on when they go out, but also a means to show off a sense of wealth, status and good taste in fashion (McFerran, 2014).

In spite of economic challenges, demand for luxury goods is still growing profitably (Deloitte, 2016). The overall number of luxury consumers has tripled in the past 15 years, from 140 million to over 350 million globally as of 2014 (Bain & Co., 2015). In 2015, the personal luxury market – consisting of fashion, leather accessories, watches and jewelries, and fragrance and cosmetics – reached €253 billion in revenue worldwide (Kollewe, 2015). According to findings from Bain & Company, one of the global leading consulting firms for luxury goods industry, this figure reflects an increase of 13 percent at current exchange rates from 2014, and 1 percent in actual growth terms at constant exchange rates, marking the beginning of a new era with slower but steadier growth for the market (D'Arpizio et al., 2015). Bain expects the global personal luxury market will experience growth rates of 2-3 percent through 2020 and will worth an estimated €280-295 billion in revenue (Bain & Co., 2015).

The internet has proved to play an irreplaceable role in helping fashion brands to reach the general population, not just fashion-savvy and elite shoppers. Brands are actively building their online presence as well as embracing e-commerce as ways to grow their business and maximizing profits by opening their own branded online stores or collaborating with other online retailers. According to Nicola Sandri, associate partner at McKinsey & Co. – another renowned management consulting firm, digital presences and revolutionized digital technologies and tools in terms of marketing and transactions now influences 44 percent of both offline and online luxury purchases, even though statistics indicate only 4 percent of overall luxury fashion sales belong to e-Commerce (Doran, 2014). With the increasing demand for luxury goods globally, the online luxury market is reportedly growing 3.5 times faster than the industry average and by 2017, pure online

transactions are expected to account for more than 6 percent of total sales (Dauriz et al., 2014).

Among other luxury goods sectors, luxury fashion is witnessing the fastest growth in Vietnam (Breininger, 2015). Euromonitor International forecasts the luxury fashion market in Vietnam to reach US\$4.2 billion by 2017 (Breininger, 2015). Young professionals, office workers and young people from middle-class or upper families have the tendency to purchase mid-range luxury fashion products (HKTDC Research, 2017). The market for luxury fashion is still relatively small in Vietnam with just 5-6 major distributors. Their portfolios include some renowned fashion brands such as Etro, Valentino, Louboutin, Loewe, Givenchy, which are mostly available in brick and mortar boutiques. (Breininger, 2015.) Another popular alternative to purchasing luxury fashion items for young Vietnamese people is to turn their attention to online shopping. Thus, this study is designed to research the behaviours of young Vietnamese shoppers when purchasing affordable and accessible luxury fashion goods: why do they choose online shopping and how do they choose between many online stores available on the internet?

1.2 Objectives and motivations

The objectives of the research are to find out the reasons behind the decision to shop online of Vietnamese young people when looking for luxury fashion products and the factors influencing their purchasing decision at an online store, which are online store's attributes and options present throughout an online shopping session.

As a topic it is highly appealing to the author because of own interest in fashion business in general and his past experiences in online shopping in particular. In fact, the problems proposed in this research are the ones that the author often question himself when looking to buy affordable luxury fashion products online. Another motivation for the author to carry out the research is the lack of in-depth study on the topic. There are many researches about online luxury consumer behavior conducted in developed countries or other developing countries, but not many in Vietnam or targeting young Vietnamese consumers.

1.3 Research questions

The research's goal is to find answer for the following questions:

- What are the reasons for young Vietnamese people to purchase luxury fashion products online?
- What are the factors influencing their decision when choosing a luxury fashion online store?

1.4 Structure of the thesis

The thesis consists of five sections. The introduction section provides the background of the topic and presents the motivation and objectives for the research long with research questions. The second section, or literature review, covers the theoretical frameworks about the definition of luxury, characteristics and level of luxury products, online luxury fashion consumer behavior, e-retail attributes and luxury fashion online marketing. The third section explains the methodology used in the research, as it is built upon the theoretical frameworks in the second section and a survey conducted with quantitative research method applied. Results from the survey are presented and analyzed in the fourth section and are linked back to the literature in the second section in attempt to answer the research questions proposed. Finally, the fifth section focuses on conclusion of the research and suggestions for further studies are made.

2 LITERATURE REVIEW

2.1 Definition of *luxury* and characteristics of luxury goods

'Luxury is a necessity that begins when necessity ends.'

Gabrielle Bonheur "Coco" Chanel (1883-1971)

The origin of the word *luxury* is from the Middle English and Old French word *luxurie*, which derives from Latin *luxuria* and *luxus* meaning "excess" (Merriam-Webster Dictionary). As a noun, *luxury* can be used as a state of mind: "a condition of abundance or great ease and comfort", according to Merriam-Webster Dictionary or "great comfort, especially as provided by expensive and beautiful things" (Cambridge Dictionaries Online). *Luxury* can also be used to define an object as "something adding to please or comfort but not absolutely necessary" (Merriam-Webster Dictionary) or "something expensive that is pleasant to have but is not necessary" (Cambridge Dictionaries Online). The business meaning of *luxury* shared the same idea, defined as "a good or service that is not considered a necessity but is considered as something that brings pleasure or happiness" (InvestorWords).

As opposed to *necessity*, *luxury* and its definition can be related and hinted at by its synonyms: sybaritic, voluptuary, epicurean, deluxe, opulent, sumptuous, self-indulgent, princely, languorous, posh, ostentatious, palatial, pampered, titillating, tantalizing, tempting (Danziger, 2005).

However, putting the non-necessity aspect aside, luxury is actually a relative concept and business literature demonstrates no consensus about the definition of luxury products and brands as it is subjective and multidimensional (Heine, 2012). One can consider an item as luxurious to him but at the same time it is not to others.

Although the luxury industry is quite small in terms of size, by no means it is less important than other industries in sales, and above all, in influences. Fashion is not just a simple physiological need as but also an influential factor in building society's culture and identity and improving lifestyle. Luxury fashion promises the latest, trend-led designs, the best material, highest standard of quality, widely recognized packaging and in the process drives up the desire for the genuine article as well as become inspiration for fast-fashion imitators. (Okonkwo, 2007.)

While there are some differences about what a product needs to have to be considered as luxury goods, its definition can be narrowed down to a set of 6 essential characteristics that most consumers perceive, which are: high price, high quality, rarity, aesthetics, symbolism, experience. Furthermore, they are interdependent and complement each other. (Heine, 2009; 2012; Fraser, 2014.)

However, from the late 20th century, the concept of “new luxury” has been introduced, which is referred to as more affordable compared to the old perception of luxury as iconic and heritage (Danziger, 2005). New luxury often goes hand in hand with the term “mass-tige”, where “mass” and “prestige” meet, in the discussion of “democratization of luxury” which is, in essential, making affordable luxury products for the mass (Okonkwo, 2007; Danziger, 2005). Luxury fashion brands continuously introduce products at lower price points, sometimes through diffusion lines, such as a pair of Paul Smith socks or a Gucci belt, to secure aspirational sales and grant customers tickets to the world of luxury, starting from the lower level of the luxury hierarchy which will be discussed further in following section (Okonkwo, 2007).

2.2 Levels of luxury

According to Klaus Heine in his research *The concept of luxury brands* (2012), a luxury brand can be categorized as one of the 4 types: entry-level luxury brands, medium-level luxury brands, top-level luxury brands and elite-luxury brands (Heine, 2012).



Figure 1. Levels of luxury brands (Heine, 2012)

Entry-level luxury brands are brands that sit just above the premium lines of general product brand and at the lowest level of luxury segment, but not generally considered as luxury, such as Hugo Boss and Mercedes. Meanwhile, medium-luxury brands are those perceived as members of luxury segment below the fore runners of luxury, for example Dolce & Gabbana and Moschino. Top-level luxury brands are established brands leading the luxury industry. Armani, Cartier and Louis Vuitton are among these top-level luxury brands. Finally, elite-level luxury brands are niche brands that rank at top of the pyramid which deciding the benchmark of the best quality and highest exclusivity in their category, for example Graff Diamonds. Because the concept of luxury is relative, the ranking within this hierarchy is made by comparing a luxury brand to the others and is subjected to change over time. (Heine, 2012.)

In addition, the level of luxury can be determined not with just the brand ranking according to Heine, but also based on price point of the luxury items, as shown below (Willet, 2015).

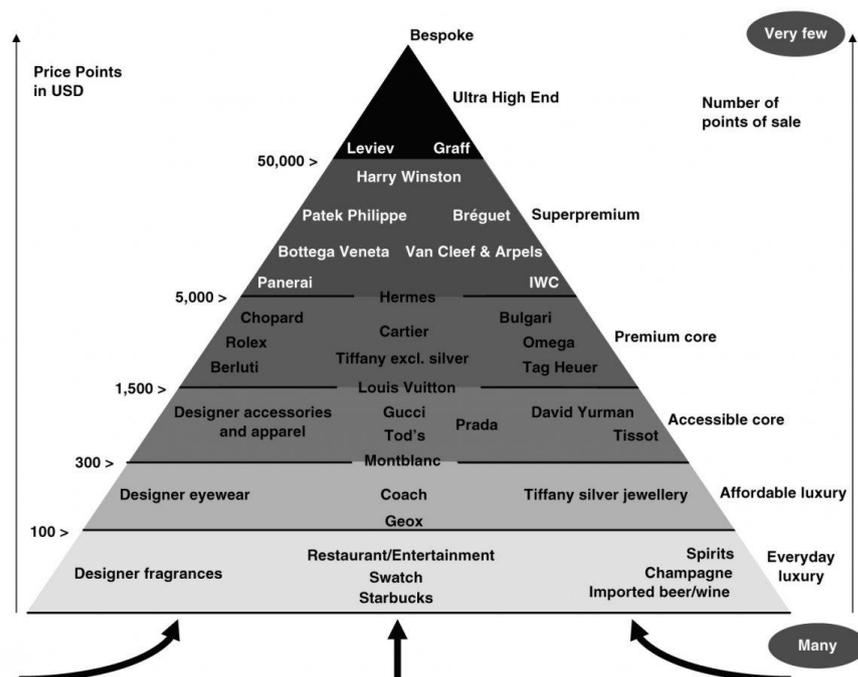


Figure 2. Rambourg's luxury power ranking pyramid (Willet, 2015)

Using Rambourg's luxury power ranking pyramid, the affordable luxury and accessible core level of luxury are aligned with the medium-luxury brands in Heine's luxury brand hierarchy, while premium core and super premium fall into the top-level luxury brands. However, again with the relativity of luxury, based on the price point of branded products

from entry-level brands in Heine's luxury brand hierarchy, these brands can also belong to the affordable luxury product of Rambourg's luxury power ranking pyramid.

This study focuses on the affordable luxury and accessible core in the Rambourg's luxury power ranking pyramid, which are equivalent to medium-luxury brands level in Heine's luxury brand level. These brands and their products also match the concept of "new luxury" discussed in the previous section. The chosen branded products' price points range between US\$100 (around €90) and US\$1500 (around €1330).

2.3 E-commerce and e-retail

The development of digital technology and the internet have revolutionized the traditional perception of consumer behaviour and the way business is conducted (Okonkwo, 2007). The birth of e-commerce has created a new era for both business organizations and individuals as customer: a transparent, ubiquitous, global, and interactive environment (Carol & Kenneth, 2002). Online customers are empowered with instant information, especially in the pre-purchase stage where it helps customers compare different options with ease (Dickson, 2000).

Electronic commerce, or *e-commerce*, is defined by Carol and Kenneth as "the use of the internet and the web to transact business". Through e-commerce, businesses and customers are able to interact and conduct commercial transactions on an online space. (Carol & Kenneth, 2002) However, e-commerce is arguably not limited within the actual action of selling and buying products online. Dave states that e-commerce also includes non-financial transactions such as enquiries from customers for information (Dave, 2002), while Zwass considers e-commerce as business relationship management through telecommunication network (Zwass, 1998).

Online retailing, or *e-retail*, which uses internet as a means of information distribution and retail platform has become an indispensable sales channel for many luxury fashion businesses supporting their offline retail activities. The internet has also been proven as an effective channel to raise brand awareness, generate competitive leverage and differentiation between luxury brands. Furthermore, luxury brands are able and free to access a huge market where millions of online consumers are active. (Okonkwo, 2007.)

An online store which uses the internet as retail platform is uniquely different from a physical store. The key attributes of e-retail can be adapted from Dennis et al. (2004) *E-*

retailing and shown in table 1., which focuses on e-retail characteristics along with advantages and disadvantages of e-retail for the customers. (Okonkwo, 2007.)

E-retail characteristics	
<ul style="list-style-type: none"> • Fast and convenient shopping • More product variety and access • Global availability • Lack of human contact • Low switching cost 	
<p>Advantage of e-retail for the consumer</p> <ul style="list-style-type: none"> • Saves time • Extensive product variety • Convenient • Easy to use • Up-to-date information • Round the clock availability • Product personalization • Favourable prices • Instant gratification 	<p>Disadvantage of e-retail for the consumer</p> <ul style="list-style-type: none"> • Security worries • Delivery timing • Delivery costs • Lack of human contact • Non-physical goods • After-sale services difficulties

Table 1. E-retail attributes, adapted from Dennis et al. (2004) (see Okonkwo, 2007)

Along with the rise in popularity and importance of online shopping, more and more people are aware of the advantages of purchasing products on an online store. They can shop at home 24 hours a day, 7 days a week and save time by avoiding any hassles like finding and visiting physical stores or queuing (Solomon, 2016). Additionally, customers have the power to search and compare information much faster and easier to find the best quality products at the lowest price because the price is more transparent online (Cole & Kenneth, 2002). In general, online shopping removes the barriers of time and location (Gou & Matthew, 2012).

However, the act of online shopping has always involved risks to some degree and many people still hesitate about the idea and do not feel totally comfortable to shop online (Jones, 2000). Because of the lack of self-affirmation when looking for goods through websites, consumers are not able to touch, smell, feel and examine the quality of actual products beforehand (Childers & Peck, 2003). When making a purchase online,

consumers face the risk of security not only with payment information but also the misuse of personal information (Wang et al., 2005). Delivery costs and delivery timing may also not meet the consumers' expectations (Katawetawaraks & Wang, 2011). Sometimes, consumers do not want to wait so long for products to be delivered or pay for the shipping fee (Loewenstein & Read, 1995; Smith, 2013). Return and exchange services are very important at post purchase stage (Liang & Lai, 2002). Unsatisfied consumers who request these after-sale services may sometimes have difficulties concerning return and exchange policy and service costs.

2.4 Online luxury fashion consumers

Despite the fact that many attempts have been made to propose a universal model to categorize online consumer population based on purchasing influences, none has come to fruition (Okonkwo, 2007). According to Jacob Nielsen's study in his book "Designing web usability" (1999), a model of six groups of offline consumers can be adapted to segment the online consumer population: social shopper, habit shopper, ethical shopper, value shopper, experimental shopper and convenience shopper (Nielsen, 1999). These shopper groups are further explained in detail through their likeliness and potential to shop online as followings: (Okonkwo, 2007.)

Social shopper: are those who do their shopping to seek pleasure and social interactions. Evidently, they are least likely to do online shopping.

Habit shopper: habit shoppers have the tendency to visit the same store and stick with the same shopping medium, which in turn prefer instore purchase and less likely to shop online.

Ethical shopper: ethical shoppers are concerned with ethical aspects of shopping, such as products' materials and working conditions of employees and expect those information on the websites. They have medium online shopping potential.

Value shopper: are cost conscious and consider the overall value of a buying session: product, price and service. They are likely to scout for these features online.

Experimental shopper: are willing to try new stores and medium. As a result, they have high potential to do shopping online.

Convenience shopper: convenience shoppers prioritize instant satisfaction and shopping without delays and are most likely to make their purchase online.

Another shoppers group, *risk averse*, is also introduced by Ganesh et al. (2010) based on online store attribute importance. Risk averse shoppers want to minimize the risks associated with online shopping, for example, being able to return the products they bought on the internet to physical stores in case the products are defective or do not meet their expectations. They prefer to shop at traditional stores, and are more wary of security issues than other groups. (Ganesh et al., 2010.)

A majority of current online luxury fashion consumers belongs to the Experimental and Convenience shopper group (Okonkwo, 2007). They are more and more tech-savvy and no longer consider visiting physical stores the only way to access luxury products and their digital interaction with brands has become much more important (Schmidt, 2015). They are always on the move and are more aware of inter-cultural aspects, which contribute to their experimental aspects. This leads to higher chance of them to switch between brands. (Okonkwo, 2007.)

2.5 Motivations for online shopping

While people have different reasons to do their shopping online, most of them can be fitted into 4 categories: convenience, information availability, available products and services, and cost and time efficiency (Katawetawaraks & Wang, 2011).

Convenience: Being well equipped and exposed to the brands online, consumers are now prioritizing convenience when buying luxury goods. While the ability to see, touch and try on something expensive is necessary for some before making purchase, the trust in online shopping makes the thought of buying luxury fashion on e-boutique more comfortable for many consumers (Zorzini, 2015). Luxury consumers of high net worth are often time restricted (Adams, 2013). Therefore, it is more appealing being able to shop whenever convenient to them on the internet where shops are open 24 hours a day, 7 days a week (Hofacker, 2001). Not having much disposable time also makes online shopping a rational choice for consumers who do not have physical stores where they live as traveling to a far-away place is out of the question (Schmidt, 2015).

The idea of meeting with and being followed around by sales assistants also does not sound fascinating to many online luxury consumers. They want to take their time and not

to deal with the rigmarole and be pressured about what to buy (True Facet, 2015). Sometimes consumers are simply not satisfied with services at physical stores (Schmidt, 2015).

Information availability: Information searching has never been easier thanks to the internet (Wang et al., 2005). The cost of searching around for products is reduced to the lowest or even zero on the internet (Bakos, 1997). With just a few clicks and typing, consumers can quickly do some researches about the products before buying (True Facet, 2015). They can find pretty much any information about the items online, from descriptions, images to reviews and recommendations, and compare them with others of same sort before making a purchase (Katawetawaraks & Wang, 2011).

Available products and services: Availability of certain products or sizes is another drive for online shopping, especially with exclusive lines. The rareness associated with luxury goods means that products are carried out with limited quantity and size, and are hard to find in-store once sold out. In some cases, brands only sell extra sized clothes on their web stores. Brands like Burberry even offer items appearing from runway shows on their website for a limited time, giving consumers an opportunity to get the pieces before they hit the store a season later (Roberts, 2014).

Cost and time efficiency: online consumers have better access to sale and promotion on the internet so they can get the items with lower price than the ones instore (Rox, 2007). Consumers can always look around on the internet to get the best deals, which makes shopping a fun game of chance (Katawetawaraks & Wang, 2011).

2.6 Online luxury fashion consumer behaviour

The key to understand consumer behavior is to identify consumer decision-making process.

The traditional buying decision-making process follows 5 stages: need recognition, information search, evaluation of alternatives, purchase, and post purchase evaluation of decision and the process as shown in figure 3. (Gary & Kotler, 2001).



Figure 3. Consumer decision-making process (Gary & Kotler, 2001)

The process of making purchase decision are generally similar whether the consumers are online or offline (Katawetawaraks & Wang, 2011). In case the customers are online, when they see banner ads or promotion advertisements, they will attract their attention and stimulate their interest in particular products. After that, customers need to find additional information about the products by searching through online channels like search engines, websites, or online catalogs (Laudon & Travor, 2009). When they have collected enough information, customers will need to compare their choices of products. The most useful characteristic of the internet is that it supports the pre-purchase stages as customers can look for product reviews or customer comments to decide which company's and brand's products fit their expectations (Lukas & Maignan, 1997). Product assortment, sale services and quality of information are the most important point taken into account in purchasing stage to help customers decide what products and from what brand they will buy from (Koo et al., 2008). Post-purchase behavior will be more important after the purchase has been made. Consumers sometimes have problems with the products and want to return or exchange what they have bought. As a result, return and exchange services are very important at this stage (Liang & Lai, 2002).

However, luxury fashion buying process does not necessarily follow these stages due to the involvement of emotions and irrationality boosted by high-impact experience and prior relationship with the brand. Customers who opt for buying luxury goods online are likely those already exposed to the brand. Thus, their decision-making process are greatly affected by past experience, brand perception and association, and their feelings and emotion towards the brand from the total web experience. (Okonkwo, 2007.)

Based on the model of Experience hierarchy of Mohamed et al. in their book *Internet marketing* (2002), a four-phase online customer experience hierarchy has been adapted which reflects the online luxury buying decision-making process (Okonkwo, 2007).

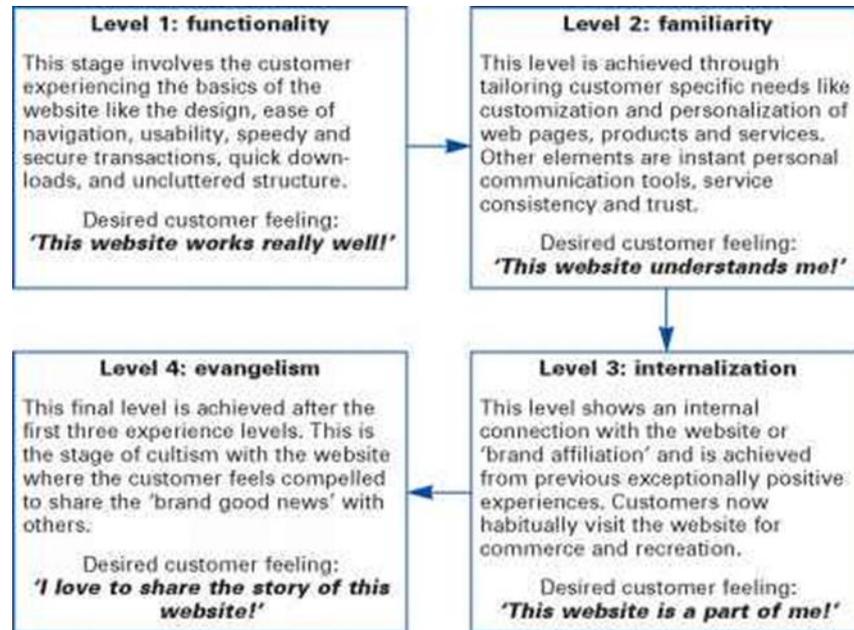


Figure 4. The four-phase customer experience hierarchy, adapted from Mohamed et al. (2002) (see Okonkwo, 2007)

The official website plays an important role as the face of a company or brand, especially in case of an e-retailer whose interaction and relationship with customers are maintained through the internet. The website gives customers the very first, crucial impression about the company.

The website of a luxury online stores must enhance consumer online experience as well as satisfy their needs and exceed their expectations. Throughout the online buying session, from the moment a visitor clicks on the homepage to his post purchase evaluation, the website must be able to produce an overall enjoyable and memorable experience for the consumer, starting with meeting the minimum requirements of a basic web design. This include ease of navigation, user-friendliness, speedy and secure transactions, personal information security, quick downloads and uncluttered structure. (Okonkwo, 2007.)

The second stage is needed to build familiarity with the consumers. Customization and personalization are introduced in this stage by making used of cookies, visit and purchase history and consumers' own preferences of products and services. Other web

elements include personal communication tools, service consistency and trust. (Okonkwo, 2007.)

The internalization stage is where internal connection and deeper relationship between consumers and brands are built gradually from previous positive experience on the website. Contents such as journals and editorial can be used in this stage which make consumers to come back to the website not only for commerce but also recreation. (Okonkwo, 2007.)

The final stage is achieved after the first three stages and the consumers have become “brand evangelists” eager to share their experience on the website with others through “word-of-mouth” and “word-of-mouse”. To reach this stage, the website must make use of emotional impact on the consumers by capturing the right mood through web designs and contents while still maintain essential characteristics of the brand. (Okonkwo, 2007.)

2.7 Luxury fashion e-marketing

Evolved from the conventional 4Ps marketing mix, online marketing strategy is customer-oriented and places an emphasis on customer experience besides *product* and *promotion* aspects due to the lack of human interaction and physical presentation. The 10Cs of luxury fashion e-marketing model is adapted from the e-marketing mix model conceptualized by Lauterborn (1990), Dennis & Harris (2002) and Mohamed et al. (2002). They are: customer value, convenience, cost, communication, computing, customer franchise, customer care, community, content, and customization. (Okonkwo, 2007) Among them, 8Cs influence customer experience with the brands and online stores.

Customer value: is equivalent to “product” from traditional 4Ps marketing mix. Customer value not only concentrates on products but also brand experience to provide overall satisfaction to the customers. This can be achieved by stocking wide range of products, detail information such as material and size measurements, visual presentation of the products through photos and videos. (Okonkwo, 2007.)

Convenience: is equivalent to “place” from traditional 4Ps marketing mix. Convenience plays an important part in the development of e-retail as an online store can be open year-round. Ideally, luxury fashion brand and e-retailer should integrate offline and online

sales channels, which makes it easy for customers to make purchase and access after-sales service like return and exchange through both channels. (Okonkwo, 2007.)

Cost: or “price” in 4Ps marketing mix. As is often the case, consumers generally expect discount and promotion from online stores. End of season sales is the strategy widely adopted by many online stores. Nevertheless, it is advisable that luxury brands with offline presence must keep consistent pricing for both channel. (Okonkwo, 2007.)

Communication: is the equivalent of “promotion” in 4Ps marketing mix. Customers expect quick responds from customer services staff when they need to exchange information about the products or services (Dennis & Harris, 2002). Communication methods often seen are phones, emails and live chats.

Customer care: customer care is one of the more important elements in enhancing customer experience and perception for online stores. To make up for the lack of human interaction, luxury fashion e-retail can enhance customer experience with the brand by providing: fast and reliable delivery; quick returns, refunds and exchanges; online personal shopper; newsletter subscription; exclusive private office for subscriptions. (Okonkwo, 2007.)

Community: community is the space on the e-retail website where online customers can gather and share their opinions and thoughts about their experience with the brand. Community is also an ideal place for the brand to understand more about their own customers and build closer relationship with them. (Okonkwo, 2007.)

Content: the characteristics and image of a brand are perceived through the visual presentation of the website when shopping online. Web design, text and photo used are also needed to be well coordinate with brand image. Brands can also create contents like editorials and look books or short video presentations to attract customers. (Okonkwo, 2007.)

Customization: customization of product and web experience is a great way for the brand to show their respect and understanding to customer’s preferences. These can be done by allowing customers to change back ground colour or text size on their homepage. Customization for a personalized product may include choosing materials and colour or initial embroidery, or even clothing alteration upon purchase. (Okonkwo, 2007.)

3 RESEARCH METHODOLOGY

3.1 Research approach

Deductive approach was selected for this study. Deductive research follows five sequential stages: *Deducing a hypothesis from the theory; Expressing the hypothesis in operational terms, which propose a relationship between two specific concepts or variables; Testing this operational hypothesis; Examining the specific outcome of the inquiry; If necessary, modifying the theory in the light of the findings* (Saunders et al., 2009).

Based on the theoretical framework built around the studies of e-retail attributes, online luxury fashion consumers, online shopping motivation, online luxury fashion online consumer behaviour, and luxury fashion online marketing, two hypotheses were deduced to be tested in an attempt to answer the research questions proposed, which are:

- *Young Vietnamese people choose to purchase luxury fashion products online because of convenience, availability of information, available products and services, and cost and time efficiency of online shopping.*
- *Young Vietnamese people choose to purchase luxury fashion products at a online store based on website design and security, availability of products, products visual presentation and information, customization, product pricing, the presence of physical store(s), and customer care and services of the online store.*

Out of three types of research method: quantitative, qualitative, and mixed research, quantitative method was chosen as it is best suitable for the deductive approach. Quantitative research generates numerical data that can be analysed as useable statistics to test some hypotheses (Saunders et al., 2009). On the other hand, qualitative method produces non-numerical data through interview or observation to build a theory (Saunders et al., 2009).

3.2 Survey design

Structured survey was created for this study as it was the most effective way to collect desirable responds in a limited time frame (Saunders et al., 2009). The first part of the survey consists of demographic questions, which include gender, age group, employment status and average monthly income. The next two questions in this section are created to find out if the respondents have any previous experience with luxury brands as well as luxury online shopping. All of the questions in this first section are closed-ended, which ensure all the responses are within expectation.

In the second section of the survey, respondents were asked to indicate how strongly they agree or disagree with the presented statements. The objective of this question is to find out which are the more important reasons for young Vietnamese people to shop luxury fashion online. The statements in this section represent the 4 categories of online shopping motivations, namely convenience, information availability, available products and services, and cost and time efficiency. The respondents gave their evaluation of each statement on a 5-point Likert scale ranging from *Strongly disagree* to *Strongly agree*.

The last section of the survey was made using the same question format from the previous section. Respondents were asked to assess the reasons behind their choice of what makes their most likely to shop at an online store. More precisely, this section reveals the factors enhancing the respondent's shopping experience when during the visit and buying session at an online store, ranked on a 5-point Likert scale from from *Very unimportant* to *Very important*. The elements presented are already introduced in the four-phase customer experience hierarchy and the 10Cs of luxury fashion e-marketing mix.

3.3 Survey distribution and data collection

Collecting data through survey is the strategy often associated with deductive approach. A survey can collect a large amount of data from a large population at low cost (Saunders et al., 2009). This was conducted through internet as it was fast to create and distribute to the sample group, as well as easy to handle and analyse. The survey was sent out via email and on social network (Facebook) to a group of author's friends and acquaintances,

consisting of 120 contacts. The sample group was carefully selected and the survey was only available for the people living in Vietnam, most of them are in mid 20s. The action was made to ensure the respondents represent the “young Vietnamese” category which is in line with the objective of the study. Due to time constrain, respondents were given 4 days to answer the survey, the participation in the survey was anonymous and voluntary.

3.4 Survey limitations, data reliability and validity

In order to eliminate any error in the results of the research, the questions are made easy to understand and the survey was checked thoroughly to ensure its workability. Friends were consulted to test the survey before it was sent out to the sample group. The survey was conducted in Vietnamese as it was natural when the target group of the research is young Vietnamese people.

The survey was highly structured, in which all questions were close-ended and the respondents could only choose the among the answers provided based on literature reviewed in the second section of the research. This might result in bias answers as the respondents could not give their own opinions regarding the topic and matters of the research. In total, there were 42 respondents participating in the survey which was a small sample group and could affect the reliability of the research since the findings might not be able to be generalized on a larger scale. Because the number of respondents was limited, any possible dishonesty from the respondent answer would also become limitation to the research.

4 DATA ANALYSIS

4.1 Research findings

The findings of the collected data from the survey are presented and analysed following the order of the questions appearing in the survey.

Question 1: *What is your gender?*

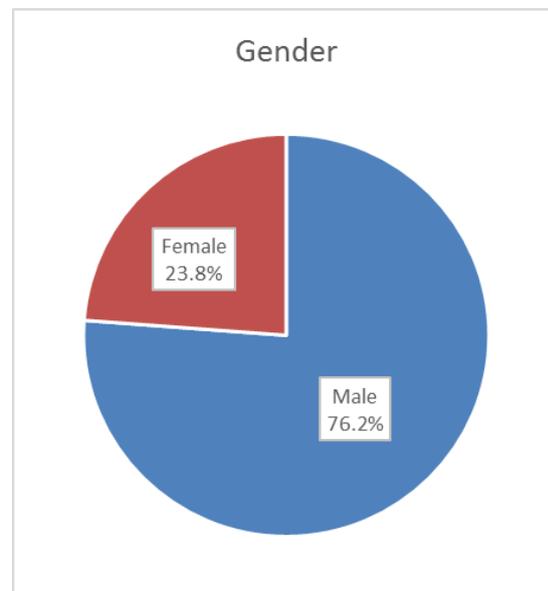


Figure 5. Question 1: Gender

There were 76.2% male respondents (32 out of 42 respondents) and 23.8% female respondents (10 out of 42 respondents) in the sample.

Question 2: *Which age group do you belong to?*

Almost all (97.61%) of the respondents (41 out of 42 respondents) are in the 20-29 age group, with an exception of 1 respondent (2.39%) is under 20 years old.

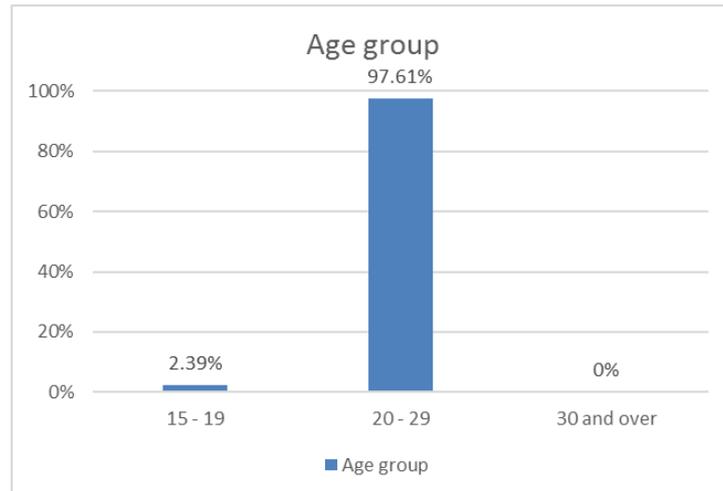


Figure 6. Question 2: Age group

Question 3: What is your employment status?

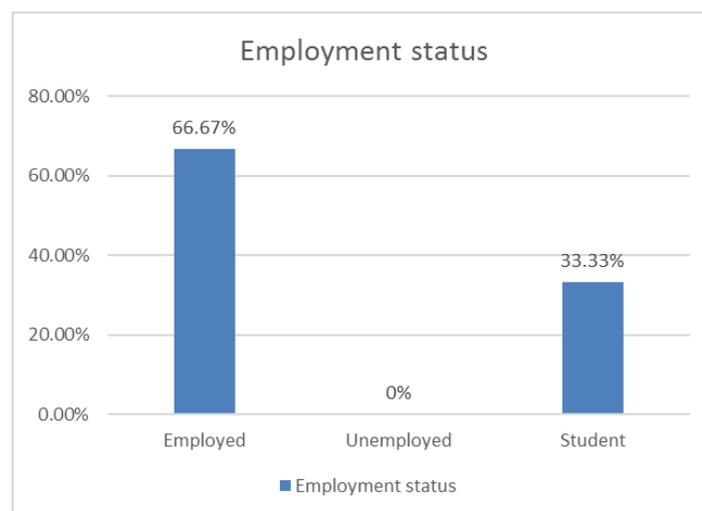


Figure 7. Question 3: Employment status

A third of the respondent (33.33%) was student and the remaining two-third (66.67%) are employed. No respondent is unemployed.

Question 4: What is your average monthly income (in Vietnam Dong - VND)?

In terms on monthly income, 9.52% (4 out of 42) of the respondents have the income of lower than 8 million VND (around €315) a month, 28.57%(12 out of 42) have between 8 million VND and 15 million VND (around €590), 35.71% (15 out of 42) have between 15 million VND and 25 million VND (around €980), the last 26.2% (11 out of 42) of the

respondents earn between 25 million VND and 35 million VND (around €1370) monthly. More than half the respondents have the monthly income equivalent to that of or higher than the average middle class's income in Vietnam (around 15 million VND a month).

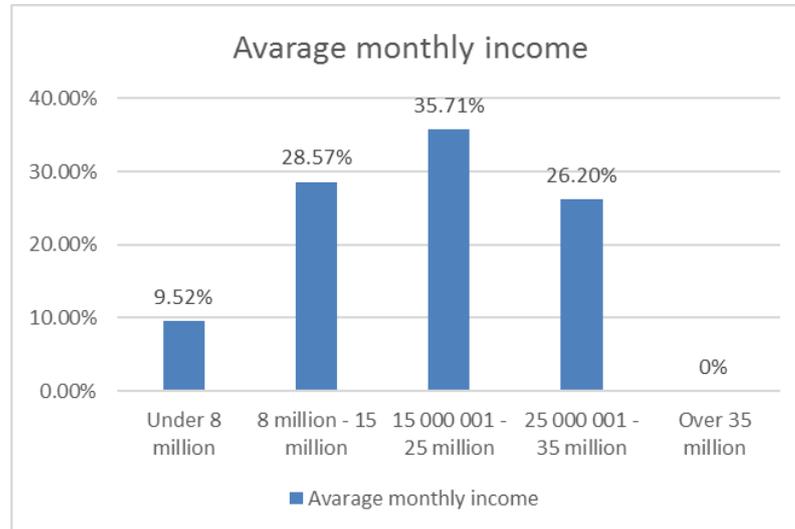


Figure 8. Question 4: Average monthly income

Question 5: *Do you own any luxury fashion item(s)?*

100% respondents answered they own at least one luxury fashion item. The luxury fashion products in this research are limited to clothing and accessory, priced between 2 600 000 VND (US\$100, or €90) and 38 400 000 VND (US\$1500, or €1330). However, the items that the respondents own could have the price higher than this range. The brands included are mid-level luxury brands with affordable luxury and accessible core products, such as Louis Vuitton, Coach, Prada, Gucci, Paul Smith, etc.

Question 6: *Have you ever shopped online for luxury fashion item?*

100% of the respondents admitted they have had experience shopping online for luxury fashion goods before.

Question 7: *Reasons for shopping luxury fashion online. N=42*

The respondents were asked to indicate how strongly they agree or disagree with each of the statements regarding the reasons for online shopping using a Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). The percentage for each answer and the mean (M) were then calculated.

	Strongly disagree (1)	Disagree (2)	Neither agree or disagree (3)	Agree (4)	Strongly agree (5)	Mean (M)
I like being able to buy whenever it is convenient for me	0	0	25 (59.53%)	15 (35.71%)	2 (4.76%)	3.45
There is no store near where I live	0	2 (4.77%)	4 (9.52%)	23 (54.76%)	13 (30.95%)	4.12
I don't find good service or advice at physical stores	0	0	40 (95.23%)	2 (4.77%)	0	3.05
I like being able to compare items and prices before I buy	0	0	18 (42.86%)	16 (38.10%)	8 (19.04%)	3.76
I have access to other people's thought on the product: review, suggestion and recommendation	0	0	20 (47.62%)	17 (40.47%)	5 (11.91%)	3.64
I can get products that are only available online	0	0	24 (57.14%)	8 (19.04%)	10 (23.82%)	3.67
I can find my size in-stock online that is not available in-store	2 (4.75%)	2 (4.76%)	27 (64.29%)	11 (26.20%)	0	3.12
I can find better deals and sales online than in store	0	0	10 (23.81%)	12 (28.57%)	20 (47.62%)	2.24
Online shopping is less time consuming than visiting a store to buy	0	5 (11.90%)	34 (80.95%)	3 (7.15%)	0	2.95

Table 2. Question 7: Reasons for shopping luxury fashion online

According to the results presented in table 2., the majority of the respondents agreed and strongly agreed with the statements related to their reasons to purchase luxury fashion products on the internet:

- *I like being able to buy whenever it is convenience for me.* M=3.45, 40.47% of the respondents agreed and strongly agreed.
- *There is no store near where I live.* M=4.12, 85.71% of the respondents agreed and strongly agreed.
- *I like being able to compare items and price before I buy.* M=3.76, 57.14% of the respondents agreed and strongly agreed.
- *I have access to other people's thought on the product: review, suggestion and recommendation.* M=3.64, 52.38% of the respondents agreed and strongly agreed.

- *I can get products that are only available online.* M=3.67, 42.86% of the respondents agreed and strongly agreed.
- *I can find better deals and sales online than in stores.* M=4.24, 76.19% of the respondents agreed and strongly agreed.

Question 8: Which factors that make you choose one online store over the others?
Website design and security. N=42

The respondents were asked to indicate how important they consider each of the factors they experience on an online store in comparison with others using a Likert scale ranging from 1 (Very unimportant) to 5 (Very important). The percentage for each answer and the mean (M) were then calculated. The same question format and calculation were used for the rest of the questions.

	Very unimportant (1)	Unimportant (2)	Neither important nor unimportant (3)	Important (4)	Very important (5)	Mean (M)
Easy to use and navigate	0	2 (4.76%)	15 (35.71%)	23 (54.76%)	2 (4.77%)	3.60
Better website design	0	0	23 (54.76%)	17 (40.48%)	2 (4.76%)	3.5
Fast and secure transactions	0	0	10 (23.81%)	27 (64.29%)	5 (11.9%)	3.88
Website customization	0	19 (45.24%)	19 (45.24%)	4 (9.52%)	0	2.64

Table 3. Question 8: Website design and security

The majority of the respondents consider ease of use of a website as well as its design, and fast and secure transactions are important in an online session.

Question 9: Which factors that make you choose one online store over the others?
Availability of products, product information and customization. N=42

	Very unimportant (1)	Unimportant (2)	Neither important nor unimportant (3)	Important (4)	Very important (5)	Mean (M)
Wide range of products	0	0	9 (21.43%)	15 (35.71%)	18 (42.86%)	4.21

Exclusive products not available instore	0	3 (7.15%)	20 (47.62%)	14 (33.33%)	5 (11.90%)	3.5
Better photography of products and detailed information	0	0	11 (26.19%)	23 (54.72%)	8 (19.09%)	3.93
Products can be customized	0	4 (9.52%)	36 (85.71%)	2 (4.77%)	0	2.95

Table 4. Question 9: Availability of products, product information and customization

Regarding the product range of an online stores, majority of the respondents consider having an extensive range of products, and better photography of products and product information as important and very important. Stocking exclusive product is also a deciding factor which attracts them. Meanwhile, respondents are not interested in product customization.

Question 10: *Which factors that make you choose one online store over the others? Product price. N=42*

	Very unimportant (1)	Unimportant (2)	Neither important nor unimportant (3)	Important (4)	Very important (5)	Mean (M)
Better price	0	0	5 (11.90%)	23 (54.76%)	14 (33.33%)	4.21
Better promotional and sales campaigns	0	0	4 (9.52%)	20 (47.62%)	18 (42.86%)	4.33

Table 5. Question 10: Product price

The majority of respondents consider better price point and better sales and discount promotions than that of other online store are important and very important.

Question 11: *Which factors that make you choose one online store over the others? The brand has physical store(s) that you could visit. N=42*

Very unimportant (1)	Unimportant (2)	Neither important nor unimportant (3)	Important (4)	Very important (5)	Mean (M)
2 (4.75%)	17 (40.48%)	16 (38.10%)	7 (16.67%)	0	2.67

Table 6. Question 11: The brand has physical store(s) that you could visit

The majority of respondent gave the answer that the presence of physical stores does not really matter to them when deciding which online store to shop.

Question 12: Which factors that make you choose one online store over the others?

Customer care and services. N=42

	Very unimportant (1)	Unimportant (2)	Neither important nor unimportant (3)	Important (4)	Very important (5)	Mean (M)
Low or free shipping	0	0	7 (16.66%)	7 (16.67%)	28 (66.67%)	4.5
Convenient return and exchange policy	0	0	13 (30.95%)	3 (7.15%)	26 (61.90%)	4.31
Express delivery	0	9 (21.42%)	26 (61.90%)	6 (14.29%)	1 (2.39%)	2.98
Online personal shopper	3 (7.14%)	7 (16.67%)	31 (73.81%)	1 (2.38%)	0	2.71
Newsletter or on-site editorial	0	2 (4.77%)	23 (54.76%)	11 (26.19%)	6 (14.28%)	3.5
Responsive customer services	0	0	23 (54.76%)	12 (28.57%)	7 (16.67%)	3.62
Exclusive subscription offers	0	4 (9.53%)	20 (47.62%)	8 (19.04%)	10 (23.81%)	3.57

Table 7. Question 12: Customer care and services

The majority of respondents found low or free shipping and convenient return and exchange policy are very important to them. On the other hand, express delivery and online personal shopper are neither important nor unimportant. Newsletters, responsive customer service and exclusive offer can also be taken into consideration when selecting an online store.

4.2 Data analysis

The data collected through the research gave a great insight into the online luxury fashion consumer behaviour of young Vietnamese people. Even though they have different reasons to do online shopping, according to question 7, these statements and reasons can be grouped into 4 general categories of online shopping motivation:

Convenience: With *"I like being able to buy whenever it is convenience for me"*, online luxury fashion consumers in Vietnam prioritize convenience when shopping on the internet as they can visit online stores round the clock. *"There is no store near where I live"* is another reason leading to their decision because of the lack of brand diversity and distributors in Vietnam's luxury fashion market, and most of the stores present in Vietnam are only located in the biggest cities in the north (Hanoi) and south (Ho Chi Minh City) of the country.

Information availability: *"I like being able to compare items and price before I buy"* and *"I have access to other people's thought on the product: review, suggestion and recommendation"* indicate that young Vietnamese people are likely to take full advantage of the internet to find information before making any purchasing decision. Because they cannot see, touch and evaluate the products beforehand, they often rely on product reviews available on the internet from other consumers that already have experience with the brands and items to search for alternatives.

Available products and services: *"I can get products that are only available online"* young Vietnamese people are seemingly interested in finding online exclusive items, which is the rarity aspect of the luxury goods' characteristics. Owning an item that cannot be found or bought in physical stores helps elevate the value of the product.

Cost efficiency: *"I can find better deals and sales online than instore"* Compared to other developing countries, the average income of Vietnamese people is relative low. Budget constraint put young Vietnamese people's focus on the product price. They can spend hours on end to search for the stores that have deals and sales campaign, which make the product price lower than instore.

There is a multitude of online stores selling luxury fashion products available on the internet once young Vietnamese people have decided to do online shopping. What differentiate these stores and attract their attention are the experiences and services they receive when spending time in a buying session. For young Vietnamese online luxury fashion consumers, these include: nice web design with ease to navigate, secure transactions, large assortment of products including online exclusive items, nice product visual presentation and information, lower product price, regular sales campaign and better discount than competitors, low or free shipping charges, convenient return and exchange policy, responsive and reliable customer services, newsletter or on-site editorial tailored to customer's preference, and offers exclusive for subscribers.

There appears some connections between the motivations and reasons to do online shopping and these influencing factors. The lack of physical stores and the risk of online shopping generates the demand for low shipping costs and convenient return and exchange policy as the customers may need to buy multiple products in one session or different sizes of one product to try, or they need return the products due to quality reasons. The availability of information motivation in which the customers wish to compare items and read product reviews and recommendations can drive them towards the stores with better websites: in both design and functionality and security. Those who prioritize cost efficiency and always on the hunt for best deals and sales on the internet may prefer online stores that have better product pricing and promotions, and also low or free shipping costs in order to reduce the overall costs. Lastly, young Vietnamese people whose reason to shop online is to purchase online exclusive items are most likely to choose the stores that stock these products.

5 CONCLUSION

5.1 Answers to research questions

The aim of the study was to answer the research question proposed in the introduction section:

- What are the reasons for young Vietnamese people to purchase luxury fashion products online?
- What are the factors influencing their decision when choosing a luxury fashion online store?

The purpose was to explore the elements of luxury fashion online marketing and online retail which influence online buying behaviour of young Vietnamese people aged between 20 and 29.

According to the findings from research, the study suggests that all four of the main motivation categories, namely convenience, availability of information, available products and services, and cost efficiency are the reasons for young Vietnamese people to do online shopping for luxury fashion products. The survey results show much more detailed information regarding these reasons, including online shopping being more convenient for the shoppers; not having access to a physical stores; shoppers being empowered with product's information and review; availability of exclusive products, and better deals and sales online than in physical stores.

The research also reveals factors that are considered important when young Vietnamese people selecting an online store to shop. These include: easy to use and navigate website, attractive web design, fast and secure transactions, a wide range of products including online exclusive items, detailed photo presentations and information of the products, lower price point and better promotions than that of others shops including offers that are only available for subscribers, low or free shipping and convenient return and exchange policy, responsive customer services, and contents such as newsletters and on-site editorial.

5.2 Research limitations and suggestions for future works

Due to the design and structure of the survey using in the research, the answers given by the respondents might be bias and not reflect their true intention and opinions of the matters presented. The author suggests that further studies may use different research methods to explore the full extent of the target group about their motivations and factors influencing their online buying experiences. The age gap used in the research (20-29) is quite big and the respondents in this age group (more than 97% of all the respondents) might not represent the whole age group. Geography location of the respondents (cities in Vietnam) and of the online stores (based in Vietnam or abroad) was not taken into consideration and may give a more detail and in-dept results if included in future researchs.

Nevertheless, the research provides better understanding about young Vietnamese luxury consumers and their expectation when shopping online. The findings can help luxury fashion brands and e-retailers to improve their presence online and attract more visitors from this consumer group to their business.

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Survey (in English)

Questions marked with a * are required

1. What is your gender?*

- Male
- Female

•
2. Which age group do you belong to?*

- 15-19
- 20-29
- 30 or over

•
3. What is your employment status?*

- Employed
- Unemployed
- Student

•
4. What is your average monthly income?* (in VND)

- Under 8 millions
- 8 millions – 15 millions
- 15 000 001 – 25 millions
- 25 000 001 – 35 millions
- Over 35 millions

•
5. Do you own any luxury fashion item(s)?*

• Luxury fashion products in this research are clothing and accessory, price range between 2 560 000 VND (apx. EUR100) and 38 400 000 VND (apx. EUR1500) or above. Brands in this study are for example: Louis Vuitton, Coach, Prada, Gucci, Dolce & Gabbana etc.

- Yes
- No

•
6. Have you ever shopped online for luxury fashion item?*

- Yes
- No

•
7. Please indicate how strongly you agree or disagree with each of the following statements using the scale below:*

Reasons for shopping luxury fashion online:	1-Strongly disagree 5-Strongly agree
I like being able to buy whenever it is convenient for me	
There is no store near where I live	
I don't find good services or advice at physical store	
I like being able to compare items and price before I buy	

I have access to other people's thought on the product: review, suggestion and recommendation	
I can get product that are only available online	
I can find my size instock online that is not available instore	
I can find better deals and sales online than in store	
Online shopping is less time consuming than visiting a store to buy	

8. Which factors that make you choose one online store over the others?*

Website design and security:	1-Very unimportant 5-Very important
Easy to use and navigate	
Better web design	
Fast and secure transactions	
Website customization	

9. Which factors that make you choose one online store over the others?*

Availability of products:	1-Very unimportant 5-Very important
Wide range of products	
Exclusive products that not available in store	
Better photography of products and detailed information	
Product can be customized	

10. Which factors that make you choose one online store over the others?*

Product Pricing:	1-Very unimportant 5-Very important
Better price than other stores	
Better promotional and sales campaigns	

-
- 11. The brand has physical store(s) that you could visit.*
 - (1-Very unimportant 5-Very important)
 -

12. Which factors that make you choose one online store over the others?*

Customer care and services	1-Very unimportant 5-Very important
Low or free shipping	
Convenient return and exchange policy	
Express delivery	
Online personal shopper	
Newsletter or onsite editorial	
Responsive customer services	
Exclusive subscription offers	