

ANTECEDENTS OF ONLINE PURCHASE FOR
PERSONAL LUXURY GOODS: THE MEDIATING
ROLE OF TRUST

BY

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ABSTRACT

Online purchase decisions are heavily influenced by consumer trust, especially when it comes to personal luxury goods. This study addresses common issues that consumers have when thinking about making these kinds of purchases, such as concerns regarding authenticity, information asymmetry, and a lack of luxury experience. These challenges collectively contribute to a more profound concern, which is the erosion of trust among consumers to purchase such goods online. Existing research proposes using signalling theory to better understand consumer decision-making when presented with risks related to online purchases. However, this theory, in isolation, proves insufficient for addressing the broader issue of consumer trust. To address this gap, this study takes an innovative approach by integrating Signalling theory into the stimulus-organism-response (S-O-R) model. By combining these theories, the study aims to provide a more holistic and comprehensive understanding of how consumers navigate online purchase decisions for personal luxury goods. The integration of Signalling theory and the S-O-R model has allowed for the investigation of both cognitive and emotional aspects of consumers' decision-making processes when purchasing personal luxury goods online. The main objective of the study is to comprehensively analyse the influence of four marketing signals, namely brand reputation, online reviews, money-back guarantee, and site aesthetics, on consumer trust and online purchase intention of personal luxury goods. The research was conducted quantitatively, where questionnaires adapted from previous research were used to conduct an online survey. Purposive sampling was used to draw insights from 214 consumers in Malaysia who either purchased or intended to purchase personal luxury goods from official luxury brand websites, third-party platforms, and social commerce platforms. SPSS and AMOS were used to analyse the data. The findings reveal that brand reputation, online reviews, money-back guarantee, and site aesthetics significantly influence consumer trust in purchasing personal luxury goods online. On the other hand, all marketing signals exhibit non-significant direct influences on online purchase intention. Mediation analysis demonstrates that consumer trust fully mediates the influence of brand reputation, money-back guarantee, and site aesthetics on online purchase intention. Meanwhile, consumer trust partially mediates the influence of online reviews on online purchase intention. This study emphasises the critical role of trust in enhancing consumers' online purchase intentions for personal luxury goods. Marketers are advised to prioritise trust-building strategies, focusing on cultivating strong brand reputations, transparent communication, and commitments to quality. Besides, incorporating customer review sections on online platforms is recommended, given their influence on consumer trust. Furthermore, new local luxury businesses are encouraged to implement credible and reliable money-back guarantee services to instil trust among consumers. In addition, luxury marketers should also invest in visually appealing online platforms to reinforce consumer trust in purchasing personal luxury goods online. Future research can fill the gaps in the study by validating the model using a qualitative study or conducting a quantitative study with a larger sample size.

ملخص البحث

تتأثر قرارات الشراء عبر الإنترنت بشكل كبير بثقة المستهلك، وخاصة عندما يتعلق الأمر بالسلع الفاخرة الشخصية. تعالج هذه الدراسة القضايا المشتركة التي يواجهها المستهلكون عند التفكير في إجراء مثل هذه الأنواع من المشتريات، مثل المخاوف بشأن الأصالة، وعدم التماثل في المعلومات، والافتقار إلى تجربة الرفاهية. تساهم هذه التحديات مجتمعة في إثارة قلق أكثر عمقاً، وهو تآكل الثقة بين المستهلكين لشراء مثل هذه السلع عبر الإنترنت. يقترح البحث الحالي استخدام نظرية الإشارة لفهم عملية صنع القرار لدى المستهلك بشكل أفضل عند تقديم مخاطر تتعلق بالمشتريات عبر الإنترنت. ومع ذلك، أثبتت هذه النظرية، بمعزل عن غيرها، أنها غير كافية لمعالجة القضية الأوسع المتمثلة في ثقة المستهلك. لمعالجة هذه الفجوة، تتبنى هذه الدراسة نهجاً مبتكراً S-O-R من خلال دمج نظرية الإشارة في نموذج التحفيز والكائن الحي والاستجابة (R). من خلال الجمع بين هذه النظريات، تهدف الدراسة إلى توفير فهم أكثر شمولاً R وشمولاً لكيفية تعامل المستهلكين مع قرارات الشراء عبر الإنترنت للسلع الفاخرة بالتحقيق في الجوانب S-O-R الشخصية. لقد سمح دمج نظرية الإشارة ونموذج المعرفة والعاطفية لعمليات صنع القرار لدى المستهلكين عند شراء السلع الفاخرة الشخصية عبر الإنترنت. كان الهدف الرئيسي من الدراسة هو تحليل شامل لتأثير أربع إشارات تسويقية، وهي سمعة العلامة التجارية، والمراجعات عبر الإنترنت، وضمان استرداد الأموال، وجماليات الموقع، على ثقة المستهلك ونية الشراء عبر الإنترنت للسلع الفاخرة الشخصية. تم إجراء البحث كميًا، حيث تم استخدام الاستبانات المقتبسة من الأبحاث السابقة لإجراء مسح عبر الإنترنت. لاستخلاص رؤى من 214 مستهلكًا في ماليزيا إما اشتروا أو قصدوا شراء سلع فاخرة شخصية من مواقع الويب الرسمية للعلامات التجارية الفاخرة، ومنصات الطرف الثالث، ومنصات التجارة الاجتماعية، لتحليل البيانات. AMOS و SPSS وتم استخدام العينات الهادفة تم استخدام أخذ

تكشف النتائج أن سمعة العلامة التجارية، والمراجعات عبر الإنترنت، وضمنان استرداد الأموال، وجماليات الموقع تؤثر بشكل كبير على ثقة المستهلك في شراء السلع الفاخرة الشخصية عبر الإنترنت. من ناحية أخرى، تُظهر جميع إشارات التسويق تأثيرات مباشرة غير مهمة على نية الشراء عبر الإنترنت. يوضح تحليل الوساطة أن ثقة المستهلك تتوسط بشكل كامل تأثير سمعة العلامة التجارية، وضمنان استرداد الأموال، وجماليات الموقع على نية الشراء عبر الإنترنت. وفي الوقت نفسه، تتوسط ثقة المستهلك جزئيًا تأثير المراجعات عبر الإنترنت على نية الشراء عبر الإنترنت. تؤكد هذه الدراسة على الدور الحاسم للثقة في تعزيز نوايا الشراء عبر الإنترنت للمستهلكين للسلع الفاخرة الشخصية. وينصح المسوقون بإعطاء الأولوية لاستراتيجيات بناء الثقة، والتركيز على تنمية سمعة العلامة التجارية القوية، والتواصل الشفاف، والالتزام بالجودة. فضلاً عن ذلك، يوصى بدمج أقسام مراجعات العملاء على المنصات عبر الإنترنت، نظراً لتأثيرها على ثقة المستهلك. علاوة على ذلك، يتم تشجيع الشركات الفاخرة المحلية الجديدة على تنفيذ خدمات ضمان استرداد الأموال الموثوقة والموثوقة لغرس الثقة بين المستهلكين. بالإضافة إلى ذلك، يجب على مسوقي السلع الفاخرة أيضاً الاستثمار في المنصات الإلكترونية الجذابة بصرياً لتعزيز ثقة المستهلك في شراء السلع الفاخرة الشخصية عبر الإنترنت. كما يمكن للبحوث المستقبلية سد الثغرات في الدراسة من خلال التحقق من صحة النموذج باستخدام دراسة نوعية أو إجراء دراسة كمية بحجم عينة أكبر.

APPROVAL PAGE

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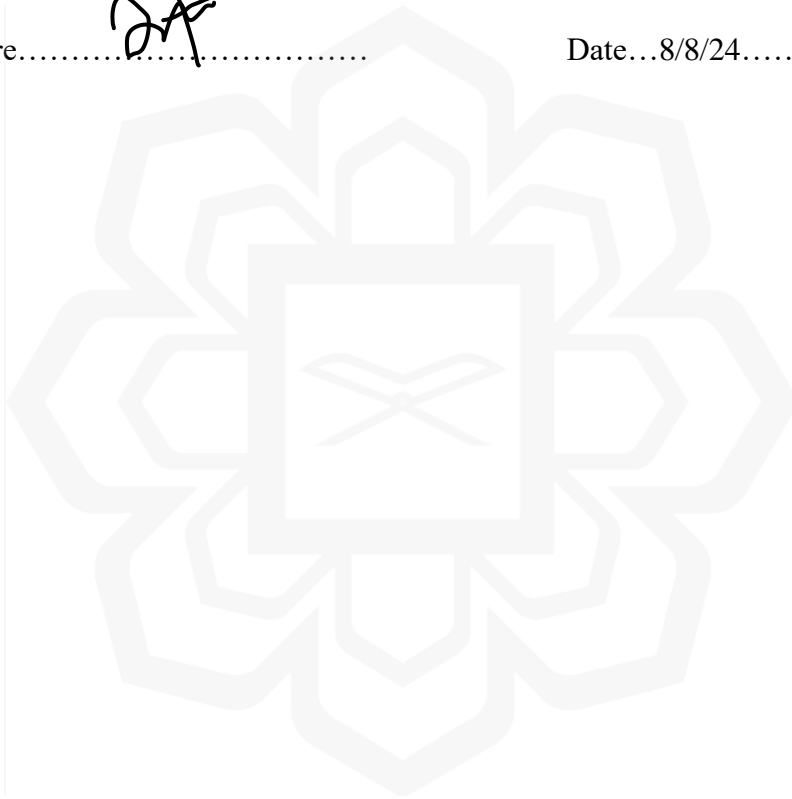
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DECLARATION

I hereby declare that this thesis is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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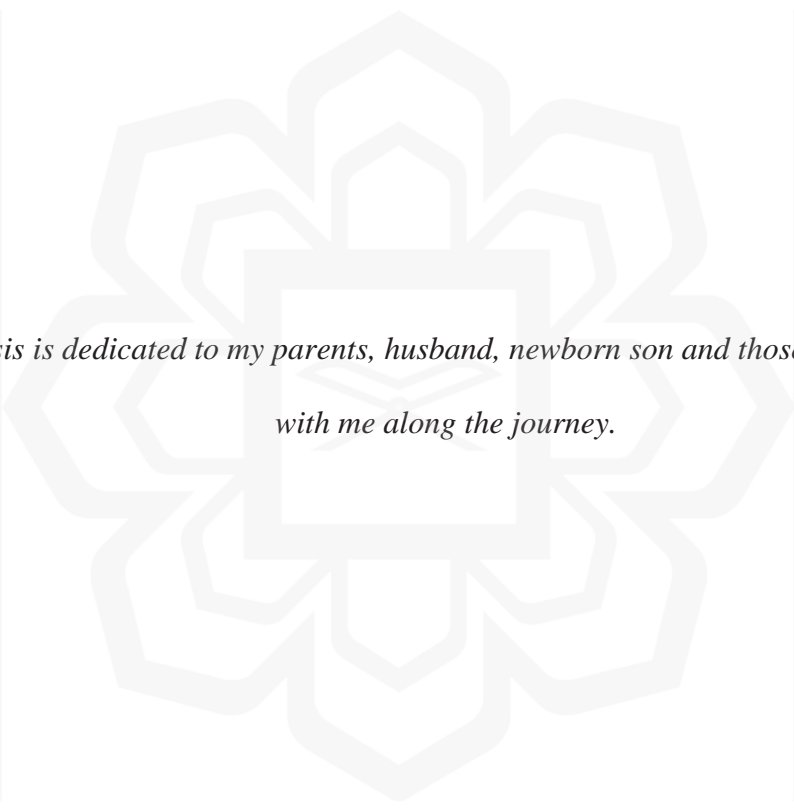


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*This thesis is dedicated to my parents, husband, newborn son and those who have been
with me along the journey.*

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LIST OF ABBREVIATIONS

br	brand reputation	Un-std.	unstandardized
ct	consumer trust	sa	site aesthetics
df	Degree of freedom	sem	structural equation modelling
mbg	money-back guarantee	std.	standard/standardized
or	online reviews	pi	purchase intention



CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter begins the discussion of the study's background by providing the definition of luxury and the classification of its market. The chapter then goes deeper by providing insights into the overall picture and concerns surrounding online purchases of personal luxury goods. Then, the chapter discusses the essential elements of the study, which are problem statements, research objectives, research questions, and the significance of the study. Furthermore, the scope of the study as well as definitions for the key terms are also presented in this chapter. Finally, at the end of the chapter, the overall organisation of the thesis is included.

1.1 BACKGROUND OF THE STUDY

This section starts with the definition of luxury and the classification of the luxury market. Then, the section discusses the overall picture and concerns surrounding online purchases of personal luxury goods.

1.1.1 Definition of Luxury and Luxury Market Classification

Many scholars have argued that there is no universal definition of luxury (Jain & Mishra, 2020; Jain, 2019; Amatulli & Guido, 2011; Wiedmann, Hennigs & Siebels, 2009; Choi & Kim, 2003; Vickers & Renand, 2003; Dubois & Laurent, 1996) because different people might perceive luxury differently (Maheshkar, 2017; Brun & Castelli, 2013; Hauck & Stanforth, 2007). According to Brun (2013), individuals differ in their perception of luxury in terms of concept (precious materials vs. privileged lifestyle),

cost (high-priced vs 2- or 3-times higher price than the cheaper version) and feeling (positive vs. negative connotations). Previously, Vigneron and Johnson (1999) defined luxury as the extreme end of the prestige-brand category, whereas Dubois and Paternault (1995) argued that luxury items are purchased for what they represent rather than what they are (Jain & Mishra, 2020; Jain, 2019).

Based on Jain (2019), luxury goods are generally associated with high price (Choi & Kim, 2003), superior quality (Nueno & Quelch, 1998), exclusivity (Dhaliwal, Singh & Paul, 2020; Loureiro & Arajo, 2014; Kapferer & Bastien, 2009), rarity (Cervellon & Coudriet, 2013), beauty (Kapferer, 1997), pleasure (Dhaliwal et al., 2020; Gupta et al., 2019; Loureiro & Arajo, 2014), wealth and power (Dhaliwal et al., 2020; Loureiro & Arajo, 2014), as well as a high degree of non-functional associations (Heine, 2012). Moreover, according to Kim (2019), luxury brands have been defined by scholars from two perspectives: marketers' perspective and consumers' perspective. From the marketers' perspective, a luxury brand is frequently associated with a high level of quality, a premium price, exclusivity, and craftsmanship (Fionda & Moore, 2009), while from the standpoint of consumers, a luxury brand is consistently defined in terms of its hedonic, emotional, and symbolic value (Chandon, Laurent & Valette-Florence, 2016). Table 1.1 summarises the luxury definitions described by the previous scholars.

Table 1.1 Definitions of Luxury

Marketers' Perspective	Consumers' Perspective
Superior quality, premium price, exclusivity, rarity, craftsmanship.	Hedonic, emotional and symbolic value: beauty, pleasure, wealth and power.

According to D'Arpizio & Levato (2021), the global luxury market is divided into nine segments: luxury cars, personal luxury goods, luxury hospitality, fine wine and spirits, gourmet food and fine dining, design furniture and housewares, fine art, private jets and yachts, and luxury cruises. Figure 1.1 illustrates the global luxury market segments.

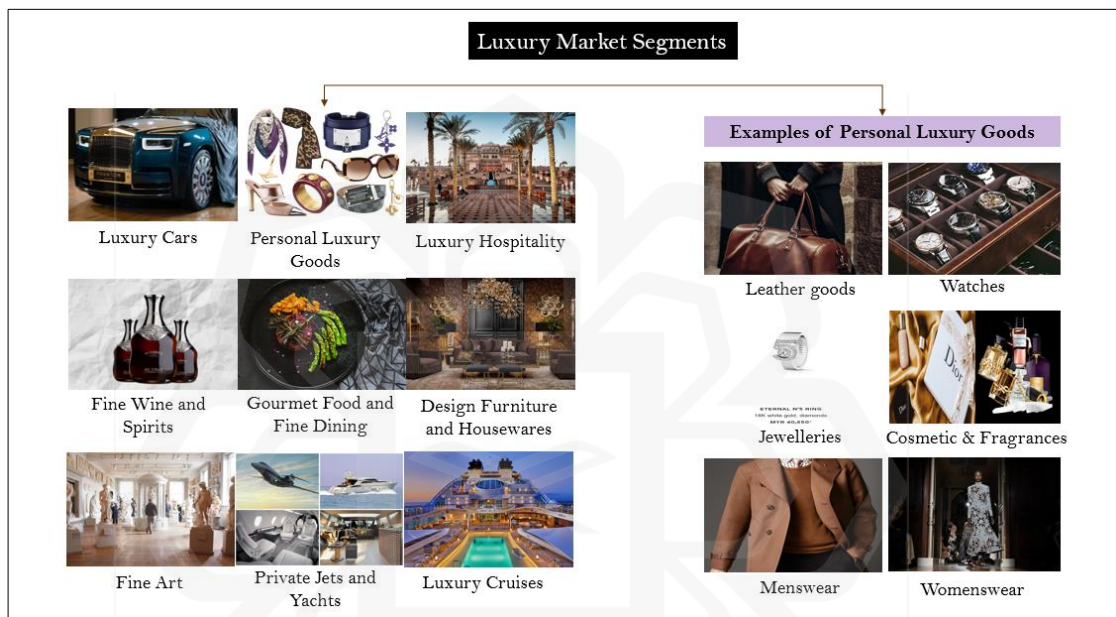


Figure 1.1 Global Luxury Market Segments (source: author)

The segment of the luxury market that is the focus of this study is personal luxury goods, which includes fashion and accessories such as leather products, watches, cosmetics, clothing, fragrances, and jewelleries (Figueiredo & Eiriz, 2020). Globally, it is reported that the personal luxury goods market is the second-largest segment of the luxury industry, accounting for 283 billion euros in 2021 (D'Arpizio & Levato, 2021). In Malaysia, the revenue in the luxury goods market amounts to US\$1,891 million in 2023 and is forecast to grow annually by a compound annual growth rate (CAGR) of 3.80% in the period of 2023–2028 (Statista, 2023).

In addition, the luxury goods market has traditionally been divided into three major segments based on price points: accessible, aspirational, and absolute (Keinan, Crener & Bellezza, 2016; Truong, McColl & Kitchen, 2009; Silverstein & Fiske, 2003), as depicted in Figure 1.2.

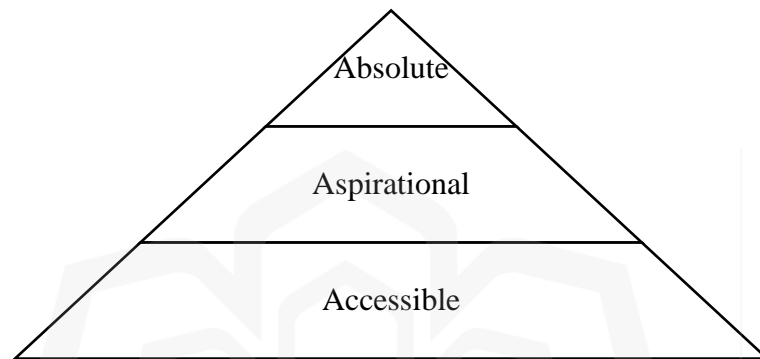


Figure 1.2 Segments of Luxury Goods Market (source: author)

Absolute luxury brands cater to the very wealthy, whereas aspirational luxury brands cater to a broader audience with entry-level merchandise such as fragrances and small leather goods. Accessible luxury brands, known as mass prestige (masstige), on the other hand, offer premium goods at a lower price point to a broader consumer base, including middle-market consumers. According to Keinan et al. (2016), among the most prestigious and exclusive luxury brands that fall into the absolute category are Chanel, Hermès, and Dior, which are marketed to very rich consumers. Meanwhile, aspirational luxury brands such as Louis Vuitton and Gucci target a broader audience with entry-level merchandise such as fragrances and small leather goods. On the other hand, accessible luxury brands, known as mass prestige (masstige) brands such as Coach, Michael Kors, and Longchamp, provide premium goods at a lower price point to a broader consumer base, including middle-market consumers.

Furthermore, Burnasheva et al. (2018) defined three types of consumers who purchase luxury goods online: online convenience shoppers, online economic shoppers,

and traditional shoppers (Jain, 2021). Economic shoppers are price-conscious (Liu, Burns, Hou, 2013) and are influenced by deals and promotions (Baubonienė & Gulevičiūtė, 2015; Xia Liu, 2013; Katawetawaraks & Wang, 2011) while traditional shoppers are those who are more cautious in purchasing luxury goods online since they are conscious of the risks in online purchases. Traditional shoppers also value experience and product quality and are dependent on website atmospherics such as site aesthetics, ease of navigation, user-friendliness, detailed product information, and personalisation (Okonkwo, 2007; Nielsen 1999). According to Okonkwo (2010), the majority of online shoppers, particularly for luxury fashion products, are convenience shoppers. They value online product availability (Liu et al., 2013), are knowledgeable (Jain, 2021), internet savvy (Serinhaus, 2005), less brand loyal (Okonkwo, 2007) and highly dependent on online reviews (Liu et al., 2013).

Based on the literature, personal luxury goods in the study are conceptualised as fashion and accessory items such as clothing, watches, bags, shoes, and other fashion accessories, fragrance, skincare, makeup, and bath and body products, as well as jewellery (Figueiredo & Eiriz, 2020) from high-end brands, which include accessible, aspirational, and absolute luxury labels (Keinan, Crener & Bellezza, 2016; Truong, McColl & Kitchen, 2009; Silverstein & Fiske, 2003).

1.1.2 Luxury and Online Channel

Despite the fact that the internet has become ingrained in consumers' lives, most luxury retailers, with the exception of a few, have been late to embrace the opportunities of online channels and digital technologies due to the belief that luxury and online channels do not go hand in hand (Yu, Hudders & Cauberghe, 2018; Dahlhoff, 2016; Keinan et al., 2016). The belief is based on the luxury paradigm, which includes exclusivity, limited availability, and an exceptional consumer experience (Jain, 2021; Baker et al., 2018; Yu et al., 2018; Dahlhoff, 2016; Ordabayeva et al., 2016). It was argued that the online channel exposes luxury brands to the mass market, depriving them of their exclusivity. Furthermore, with online channels, luxury retailers expressed their concern about not being able to reciprocate the rich consumer experience that has

been their identity. Thus, in the beginning, there was some debate about whether luxury retailers should use the online channel as a mere promotional tool or as a full-fledged sales channel (Jain & Mishra, 2020; Baker et al., 2018). The luxury online channel includes luxury brand official websites and apps (Jebarajakirthy et al., 2020), third-party e-commerce websites and platforms (Yu et al., 2018), and social-commerce platforms (Yu & Zheng, 2022).

Data from 2020 indicates that forty percent or more of luxury brands refrain from engaging in online sales (Mu, Lennon, & Liu, 2020). Notable instances of luxury brands historically exhibiting a limited online retail presence or not offering direct online purchasing through their official websites are Hermès and Chanel. In the Korean market, Chanel introduced its official e-commerce platform in 2018, although with a restricted focus on cosmetic sales, while Hermès inaugurated its official website in June 2020 (Jae-Heun, 2020). In the Malaysian context, Chanel first established its official online store in 2021 (Khoo, 2021), where it only offers fragrance, makeup, and skincare for online purchase. Likewise, Hermès now allows online purchases of its products in Malaysia via its own website.

However, the internet has recently emerged as the fastest-growing channel for luxury sales (Jain & Mishra, 2020; Jebarajakirthy, Yadav & Shankar, 2020; Ryu, 2020) because it allows luxury retailers to attract younger generations of luxury shoppers, reach consumers in other countries and regions, and engage existing and potential consumers through an enhanced digital experience (Jebarajakirthy et al., 2020; Ashfaq et al., 2018; Dahlhoff, 2016; Keinan et al., 2016). Furthermore, COVID-19 has become a change agent for luxury retailers (Bain & Company, 2020). Luxury brands have been forced to fully embrace e-commerce as a means to survive the pandemic since travel activities have been on hiatus and most physical shops are closed. Since consumers' focus has been shifted to online shopping, it has been reported that online sales for luxury brands have skyrocketed, resulting in a double in market share from 12% in 2019 to 23% in 2020 (Danziger, 2021). The trend continues even after the pandemic. According to Statista (2024), online sales are predicted to contribute to 15.4% of global luxury goods market revenue, while in Malaysia, they will contribute to 10.4%. Due to the change in the luxury market, Bain and Company (2020) anticipated a predominant

shift towards online channels dominating the sales landscape of luxury goods by the year 2025.

Nevertheless, there is a growing concern regarding the online luxury environment. Among the risks that consumers face when purchasing luxury goods online is uncertainty about the product's quality and authenticity, particularly when purchasing from websites that sell multiple luxury brands (Yu et al., 2018). The Internet's bad reputation for trading counterfeit goods has added to the problem (Yu et al., 2018; Wu, Chen, & Chaney, 2013). Counterfeiting has become a significant problem for luxury producers as a result of lower prices and more accessible distribution channels (Pope, Koch, & Koch, 2020; Amaral, 2016). The threat of counterfeiting resulted in revenue losses for luxury goods manufacturers, labour market losses, and tax revenue losses for the government (Amaral, 2016).

Moreover, to maintain the luxury feel, most luxury retailers adopt a minimalist style for their online retail websites, which limits the information shared with consumers (Pandey, Mittal, & Chawla, 2024; Yu et al., 2018; Kluge et al., 2013). Researchers argued that due to this asymmetric information environment, consumers face a hard time making decisions (Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018).

Furthermore, it was argued that sensory delights such as touch, feel, and scent are the heart of the luxury experience and can be a signal to product quality; however, the online environment is absent of this feature (Shankar & Jain, 2023; Yu et al., 2018; Ordabayeva et al., 2016; Krishna & Morrin, 2008). The issue, coupled with the absence of direct access to the product, has caused consumers to seek and rely more on signals to evaluate the product (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018; Mukherjee & Nath, 2007). Consumers' trust in the luxury online environment can be eroded by all of these issues, resulting in a decrease in their perceived value and behavioural intention, which includes word-of-mouth, purchase intention, and continued interaction (Loureiro & Araújo, 2014; Mukherjee & Nath, 2007).

Based on the overview, it can be seen that the extent to which luxury brands offer online purchasing varies. Certain luxury brands may have established user-friendly online stores where consumers can browse and purchase things directly from

the brand's official website, while others might decide to sell through certified e-commerce platforms or authorised online stores. The issue with buying from a third-party platform is the uncertainty about the authenticity of the luxury goods sold since there are many counterfeit luxury goods being sold online. However, when purchasing from the luxury brand's official website, consumers are faced with information asymmetry since luxury brands tend to limit the information shared to maintain their luxury identity. In addition, due to the nature of the online channel, consumers have limited access to the luxury experience they had in physical stores.

Previous scholars have suggested utilising signalling theory to analyse how customers make purchase decisions when faced with online purchase risks such as authenticity doubt and information asymmetry (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018). However, previous studies have not addressed the larger issue resulting from those issues, which is a lack of trust among consumers when purchasing personal luxury goods online. As a result, this study will bridge the gap by integrating signalling theory with another theory known as the S-O-R model to address both the major issue of a lack of trust in purchasing personal luxury goods online as well as the sub-issues of doubt of authenticity, information asymmetry, and a lack of luxury experience.

1.2 PROBLEM STATEMENT

The online channel is expected to be the leading sales channel for luxury purchases by 2025 (Bain & Company, 2020). However, according to Mu et al. (2020), forty percent or more of luxury brands refrain from engaging in online sales (Mu, Lennon & Liu, 2020). As a result, consumers might resort to third-party platforms that market multiple personal luxury goods brands in one place. This led to an issue in online purchasing of luxury goods where consumers may have doubts about the authenticity of the luxury goods (Pandey et al., 2024) sold on this type of platform since there are many counterfeit luxury goods being sold online (Yu et al., 2018; Wu et al., 2013). Without certain marketing signals, it makes it harder for consumers to evaluate whether the luxury goods to be purchased will be authentic or whether a certain luxury seller can be trusted.

Moreover, there is an issue where consumers face difficulty making decisions to purchase personal luxury goods online due to the asymmetric information problem (Pandey et al., 2024), since most luxury retailers limit the information shared with consumers (Yu et al., 2018; Kluge et al., 2013) to maintain the luxury identity. This case is especially true for official luxury brand websites. Apart from that, most luxury retailers do not incorporate online reviews on their websites for the same reason. This issue also contributes to the main issue of lack of trust when purchasing these personal luxury goods online.

Furthermore, it was argued that sensory delights such as touch, feel, and scent are the heart of the luxury experience and can be a signal to product quality; however, the online environment is absent of this feature (Shankar & Jain, 2023; Yu et al., 2018; Ordabayeva et al., 2016; Krishna & Morrin, 2008). The issue, coupled with the absence of direct access to the product, has caused consumers to seek and rely more on signals to evaluate the product (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018; Mukherjee & Nath, 2007).

All these issues can lead to a bigger issue, which is a lack of trust among consumers to make online purchases of personal luxury goods. Consumers may have more doubt and need certain marketing signals to help them build trust to purchase personal luxury goods online. Past studies have recommended signalling theory as a foundation to understand how consumers make purchase decisions when presented with the risks of online purchases, such as doubt of authenticity and information asymmetry (Pandey et al., 2024; Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018). However, this theory alone is not adequate to address the issue of consumer trust. Therefore, this study explored a different path where an integration of the S-O-R model and signalling theory was used to investigate the influence of marketing signals on consumer trust and online purchase intention for personal luxury goods. The S-O-R model serves as the foundation for placing consumer trust as a mediator in the research model, whereas signalling theory supports the selection of the marketing signals as the independent variables.

1.3 OBJECTIVES OF THE STUDY

The objectives of the study are divided into general and specific objectives.

1.3.1 General Objective

The general objective of this study is to investigate the factors that influence consumer trust and online purchase intention for personal luxury goods.

1.2.2 Specific Objectives

The specific objectives of this study are as follows:

1. To investigate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on consumer trust.
2. To investigate the influence of consumer trust on online purchase intention for personal luxury goods.
3. To investigate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on online purchase intention of personal luxury goods.
4. To investigate the role of consumer trust in mediating the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on online purchase intention of personal luxury goods.

1.3 RESEARCH QUESTIONS

The research questions in the study are as follows:

1. Do (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics influence consumer trust to purchase luxury goods online?

2. Does consumer trust influence the online purchase intention of personal luxury goods?
3. Do (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics influence the online purchase intention of personal luxury goods?
4. Does consumer trust mediate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on the online purchase intention of personal luxury goods?

1.4 SIGNIFICANCE OF THE STUDY

The purpose of this study is to contribute to the body of knowledge on consumer decision-making in the context of online luxury purchases by providing insight into the influence of marketing signals such as brand reputation, online reviews, money-back guarantee, and site aesthetics on consumer trust and online purchase intention of personal luxury goods. This study is interested in understanding the problem of consumers' lack of trust in purchasing personal luxury goods online due to issues such as authenticity, a gap in information, and a lack of luxury experience. The study is guided by the S-O-R model, which provides a foundation for studying trust as a mediator between marketing signals and online purchase intention, as well as the Signalling Theory which is used as the basis for the selection of the marketing signals. These two theories enable the investigation of both cognitive (marketing signals) and emotional (trust) aspects of online luxury purchases.

From a managerial standpoint, this study provides significant insights for all luxury marketers, especially local businesses that sell luxury goods, to develop effective marketing strategies to grow consumer trust and build profitable consumer relationships. Marketers can opt to put into practice or enhance the marketing signals that were examined in the study in the hopes that consumers will recognise them as reliable sellers and go on to make purchases from them. Since trust is the essential component that can create a long-lasting profitable relationship, it is crucial for marketers to make sure that consumers buy from them because they believe in them

(Mukherjee & Nath, 2007). Secondly, this study also serves as a guideline for consumers to make better purchase decisions. It is hoped that consumers can evaluate whether they can trust a seller and proceed to purchase from them with ease by looking at whether the sellers implement the signals that were discussed in the study. Furthermore, policymakers or regulatory bodies can use the findings from this study to revise policies that will regulate and protect consumer rights in Malaysia. In addition, from an Islamic perspective, this study aims to contribute to Maqasid Al-Shariah by protecting the wealth of consumers by educating consumers to make informed purchase decisions when purchasing personal luxury goods online and by informing the authorities to enhance the policies that protect consumer rights in Malaysia.

1.5 SCOPE OF THE STUDY

This study has looked into the marketing signals that can influence consumer trust and encourage online purchases of personal luxury goods in the emerging Asian market. The research setting in this study is Malaysia, where the revenue in the luxury goods market amounts to US\$ 1,979 million in 2024 and is forecast to grow annually by a compound annual growth rate (CAGR) of 3.59% in the period of 2024–2028 (Statista, 2024). This study's focus is on personal luxury goods, which are fashion and accessory items such as clothing, watches, bags, shoes, and other fashion accessories; fragrance, skincare, makeup, and bath and body products; as well as jewellery from all three types of high-end brands: accessible, aspirational, and absolute. The population in this study is made up of consumers in Malaysia who purchase personal luxury goods online. The target respondents are luxury consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from luxury brand official websites and apps, third-party e-commerce websites and platforms, and social-commerce platforms, regardless of whether the purchase is from accessible, aspirational, or absolute luxury brands.

1.6 DEFINITION OF KEY TERMS

1.6.1 Personal Luxury Goods

Personal luxury goods are fashion and accessory items such as clothing, watches, bags, shoes, and other fashion accessories, fragrance, skincare, makeup, and bath and body products, as well as jewellery (Figueiredo & Eiriz, 2020) from high-end brands (Keinan, Crener & Bellezza, 2016; Truong, McColl & Kitchen, 2009; Silverstein & Fiske, 2003).

1.6.2 Online Purchase Intention

Online purchase intention is defined as the readiness of consumers to use the internet for purchasing (Meskaran et al., 2013; Close & Kukar-Kinney, 2010) personal luxury goods.

1.6.3 Brand Reputation

Brand reputation in the study is conceptualised as the extent to which consumers believe that the luxury brand and retailer are concerned about its consumers' interest and welfare (Punyatoya, 2019).

1.6.4 Money-back Guarantee

A money-back guarantee (MBG) is a consumer return policy that allows the consumer to return a purchased good for a full refund (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Davis et al., 1995).

1.6.5 Online Reviews

Online reviews, also known as electronic word-of-mouth (E-WOM), are defined as “positive or negative statements” about the good or brand and the seller “made by potential, actual, or former consumers that are accessible to a large number of people via the internet” (Hennig-Thurau et al., 2004, p. 39).

1.6.6 Site Aesthetics

Site aesthetics refers to the appearance (Peng et al., 2017) of all possible luxury online channels, which includes luxury brand official websites and apps (Jebarajakirthy et al., 2020), third-party e-commerce websites and platforms (Yu et al., 2018) and social-commerce platforms (Yu & Zheng, 2022).

1.6.7 Consumer Trust

Trust is defined as the faith that the consumer has in the online luxury sellers that they will deal in a fair manner (Carter et al., 2014).

1.7 ORGANIZATION OF THE STUDY

This study consists of five chapters that represent different elements of the research: Chapter One: Introduction, Chapter Two: Literature Review, Chapter Three: Research Methodology, Chapter Four: Data Analysis and Findings, and Chapter Five: Discussion, Recommendation, and Conclusion.

The first chapter is the introduction chapter, which provides the readers with an overview of the topic and an understanding of the background of the study, beginning with a definition of luxury and a classification of its markets, followed by the current issues in the online luxury environment. After that, the chapter discusses the problem

statements in the study from two perspectives: managerial and theoretical. The chapter then goes on to define the study's objectives and research questions. Furthermore, this chapter discusses the contribution of the study from a theoretical, practical, and Islamic perspective. This chapter also provides the study's scope and defines key terms to help readers better understand the study. Finally, the chapter concludes with a summary of the thesis's contents.

Chapter two presents a comprehensive literature review in the respective area of the study. The chapter discusses the important elements in the conceptual framework, which include online purchase intention as the dependent variable, brand reputation, online reviews, money-back guarantee, and site aesthetics as independent variables, as well as consumer trust as the mediating variable. Next, research hypotheses are developed based on the S-O-R model and signalling theory, supported by empirical evidence from previous studies. In addition, the chapter also discusses the gaps in the study. Finally, the conceptual research framework is proposed towards the end of the chapter.

Chapter three consists of the research methodology for this study. The chapter starts by discussing the research paradigm. Then, the chapter specifies the design components of the study, which include population, sampling and sample size, instrument design, and data collection methods. Following that, the data analysis method was discussed.

The fourth chapter of this study presents data analysis and discusses the findings from the study. Hypotheses were tested in order to achieve the objectives of the study. Meanwhile, in Chapter 5, further discussion of the findings was included. This chapter also highlights the theoretical contributions of the study, discusses the study's limitations, provides theoretical recommendations for future research, and proposes managerial and practical implications. Figure 1.3 depicts the flow of the study.

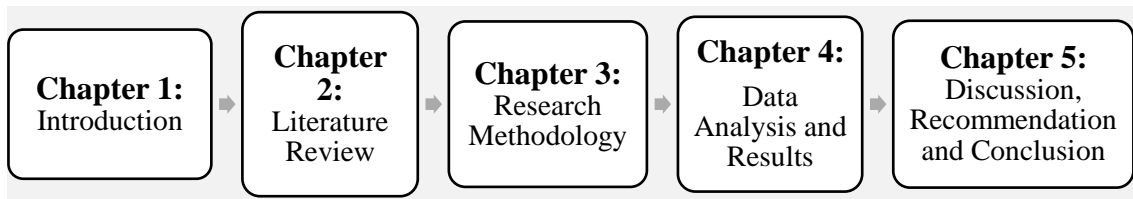


Figure 1.3 Flow of the Study

1.8 CHAPTER SUMMARY

This chapter has provided an overview of the study by discussing the background of the study, the problem statement, the objectives of the study, the research questions, and the significance of the study, as well as defining the scope of the study and specifying the key terms in the study. Besides, this chapter has also discussed the content organisation of this study. Figure 1.4 summarises the flow of this chapter.

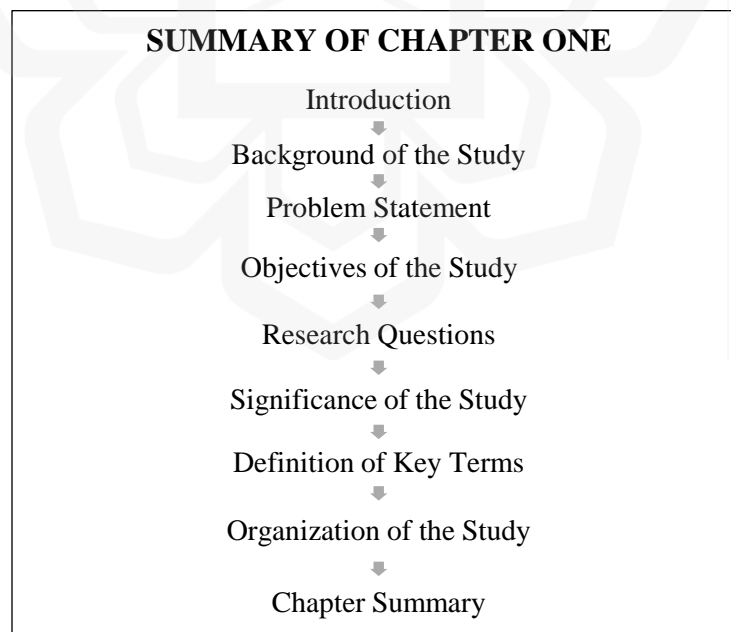


Figure 1.4 Chapter One Summary

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter starts with a review of online purchase intention and an in-depth discussion on consumer trust. After that, the chapter reviews each independent variable, followed by a discussion on the research gaps. Finally, the chapter discusses the development of hypotheses and the conceptual framework in the study.

2.1 ONLINE PURCHASE INTENTION

2.1.1 Overview

Purchase intention in general can be defined as consumers' willingness to buy (Dodds, Monroe, & Grewal, 1991). It can also be described as a person's perception and attitude towards a specific product that drives the desire to purchase the product (Theingi & Jan, 2016). Purchase intention is said to be the most accurate predictor of actual purchase behaviour (Ajzen & Fishbein, 1975) and thus can be one of the predictors of sales and demand (Soh, Rezaei, & Man-Li Gu, 2017). According to Kim et al. (2008), the relationship between intention and behaviour is based on the assumption that human beings attempt to make rational decisions based on the information available to them. Thus, a person's behavioural intention to perform (or not perform) a behaviour is the immediate determinant of that person's actual behaviour (Kim et al., 2008).

In the context of e-commerce, online purchase intention is said to be the readiness of consumers to use the internet for purchasing any product or service (Meskaran et al., 2013; Close & Kukar-Kinney, 2010) or for comparing product prices over the internet (Close & Kukar-Kinney, 2010). Moreover, consumers' online purchase intention is also believed to be the result of consumers' trust in the online

retailer (Bhattacharya, Sharma, & Gupta, 2022). Thus, it implies that trust is the mediator for online purchase intention.

Furthermore, according to scholars, purchase intention can also be examined as an outcome of the decision process (McGaughey & Mason, 1998). In theory, consumers are said to go through stages before making the actual purchase. For instance, the traditional consumer decision-making models, such as those developed by Engel et al. (1968) and Howard and Sheth (1969), identify progressive stages of decision-making as well as individual and contextual factors that influence consumer decision-making. Despite some iterations, these models identify similar decision-making process stages, which are problem recognition, information search, alternative evaluation, purchase decision, and post-purchase evaluation. Recent studies (for instance, Karimi et al., 2018; Karimi et al., 2015; Lye et al., 2005) suggest that consumers engage in multiple activities and decisions during the decision-making process, which may result in skipping the stages of traditional decision-making models (Viridi, Kalro, & Sharma, 2020).

This study chooses to focus on online purchase intention instead of online purchase behaviour because, according to scholars, purchase intention has wider implications and will often have a positive impact on an individual's actions (Hung et al., 2011; Schlosser et al., 2006; Pierre et al., 2005; Ajzen & Driver, 1992).

2.1.2 Theories Used in Past Research

Among the theories used by past researchers to explain purchase intention are the Theory of Reasoned Action (TRA), the Theory of Planned Behaviour (TPB), the Dual Process Theory, and the Signalling Theory.

When studying consumer purchase intention, two well-known theories are the Theory of Reasoned Action (TRA) by Ajzen and Fishbein (1975) and the Theory of Planned Behaviour (TPB). The Theory of Planned Behaviour (TPB), proposed by Ajzen (1991), is based on the Theory of Reasoned Action (TRA), which proposes that an individual's behavioural intention is influenced by his attitude towards the behaviour and subjective norm. Attitude refers to "an individual's positive or negative feeling

regarding performing the target behaviour” (Ajzen & Fishbein, 1975, p. 216), while subjective norm is defined as “an individual's perception that most people who are significant to him or her think he or she should or should not perform the behaviour in question” (Ajzen & Fishbein, 1975, p. 302).

Ajzen (1991) expanded the TRA by incorporating perceived behaviour control, which refers to people's perceptions of their own ability to perform a behaviour (Adeola et al., 2021; Gani et al., 2019; Loureiro & Araújo, 2014). Scholars explained the behavioural intentions of consumers as word-of-mouth, purchase intention, and continued interaction (Loureiro & Araújo, 2014; Mukherjee & Nath, 2007). According to TPB, consumer purchase behaviour can be predicted based on their purchase intention, which is influenced by three factors: attitude, subjective norm, and perceived behavioural control. In other words, an individual will have a stronger intention to conduct a certain behaviour when her or his attitude, subjective norm, and perceived behavioural control are positive (Gani et al., 2019; Salem & Chaichi, 2018). The application of TPB extended to the luxury sector, where several scholars have used TPB in their research on the purchase behaviour of luxury goods (see Jain, 2020; Arora & Kishor, 2019; Salem & Chaichi, 2018; Jain et al., 2017; Jain & Khan, 2017; Sanyal et al., 2014; Loureiro & Araújo, 2013; Summers et al., 2006).

While these theories are well established in measuring consumers' purchase intention, they may not be appropriate for this study, where the interest is in knowing the marketing signals that can help marketers gain trust and enhance consumers' online purchase intention of personal luxury goods. Moreover, these two theories might be less appropriate to explain how consumers make purchase decisions in an asymmetric online environment. In reality, human behaviour may be influenced by many other factors, including but not limited to attitude, subjective norms, and perceived behavioural control.

Meanwhile, dual process theory proposes that human decision-making processes can be divided into two distinct operating principles (Nghia, Olsen & Trang, 2020; Ryu, 2020; Viridi et al., 2020). The gist of the theories is that consumers make purchases by either processing information extensively to make a logical decision to satisfy a need or by putting little effort into processing information and acting on their emotions to satisfy a desire. In the context of luxury consumer behaviour, Ryu (2020)

applied dual theory to study the behaviour of luxury consumers when faced with two options: buy online luxury goods at a lower price or buy from a retail store at a higher price but with luxury services. While this theory offers an excellent foundation to understand the thought process of consumers when making purchase decisions, it might not be suitable for the context of this study, where the focus is more on understanding the factors that might contribute to consumer trust to purchase personal luxury goods online despite the issues of authenticity doubt, information asymmetry, and a lack of luxury experience online.

2.1.2.1 Signalling theory

Another theory used in past research to study purchase intention is the signalling theory, which was developed by Spence (1973). It explains how sellers credibly convey information to consumers. In the marketing perspective, it is used to understand how consumers make purchase decisions when they have limited information as compared to marketers (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018). In the luxury online environment, consumers face issues such as the absence of a sensory luxury experience, an information deficit, uncertainty about product quality, and counterfeiting, all of which increase their perceived risk, resulting in a decrease in trust and a decrease in behavioural intention. These issues force consumers to look for and rely on signals to evaluate a product (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018) before making an online purchase. According to Moussa and Touzani (2008), consumers infer the quality of a product based on displayed signals such as quality labels, certification marks, or seals of approval (Yu et al., 2018), whereas according to Haruvy and Leszczyc (2016) and Zhang et al. (2017), companies use signals such as brand name, product warranties, and price matching to reduce consumer online purchasing risk (Oghazi et al., 2018).

Furthermore, according to Narwal and Naryak (2020), signals or cues are classified as low-task and high-task, and they can be either directly or indirectly controlled by marketers. Among examples of high-task signals are product information, brand reputation, safety cues (i.e., privacy policies), general terms and conditions,

delivery status, consumer reviews, third-party reviews, safety warranties, quality labels, return policies, and money-back guarantees (Narwal & Nayak, 2020; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018; Van Noort et al., 2008). Meanwhile, web site design, ambient factors, and reference price belong to low-task signals (Narwal & Nayak, 2020; Oghazi et al., 2018; Yu et al., 2018; Beuckels & Hudders, 2016; Shen et al., 2016; Okonkwo, 2007). High-task signals are perceived as more reliable by consumers but are costly and time-consuming for sellers to implement (Narwal & Naryak, 2020; Oghazi et al., 2018). Low-task signals, on the other hand, are more favoured by marketers because they do not require as much time and money, but in the eyes of consumers, those signals are less credible and prone to manipulation by sellers (Narwal & Nayak, 2020).

Based on the literature, signalling theory is selected in the study as the foundation to understand the online purchase intention of personal luxury goods. The gist behind signalling theory is how marketers choose to implement certain marketing strategies to signal credibility to consumers. This theory can provide an understanding of how marketing signals can address the issues of authenticity, doubt, information asymmetry, and a lack of luxury experience online. However, since the main focus of this study is on understanding what makes consumers trust to purchase personal luxury goods online, another theory is needed to support the investigation of both factors influencing consumer trust and online purchase intention of personal luxury goods among consumers in Malaysia.

2.2 CONSUMER TRUST

2.2.1 Overview

Trust has been defined and redefined over time. Rousseau et al. (1938) defined trust as a psychological state characterised by a willingness to accept vulnerability based on positive expectations of another's intentions or behaviour. Luhmann (1979), on the other hand, argued that experience and risk are components of trust. Meanwhile, trust is the foundation of a buyer-seller strategic relationship, according to Spekman (1988). Moorman et al. (1993), Morgan and Hunt (1994), and Mayer et al. (1995) define trust

in a manner similar to Rousseau et al. (1938), in which it involves a party's confidence to conduct an exchange with another party who is perceived to be reliable and honest. A more recent definition by Chetioui, Lebdaoui and Chetioui (2020) stated that trust is an individual's belief in the trustworthiness of others, which can be determined by their perceived honesty, compassion, and expertise (Faqih, 2011; Lin, 2011). Meanwhile, in the context of online shopping, trust is defined as the faith that the consumer has in the online vendor and that he or she will deal in a fair manner (Carter et al., 2014). In this study, the definition by Carter et al. (2014) will be employed, as it is most suitable for the context of the study.

Researchers have generally agreed that trust can be divided into two types: cognition-based trust and affect-based trust (Nghia et al., 2020; Punyatoya, 2019; Ha et al., 2016; Kim et al., 2008; Morrow et al., 2004; McAllister, 1995). Consumer cognitive trust reflects their belief in a retailer's honesty, accuracy, dependability, and ability to keep promises (Dabholkar et al., 2009), whereas affective trust refers to the positive feeling consumers have during a shopping experience (Johnson & Grayson, 2005). Examples of cognitive trust antecedents are privacy protection, security protection, system reliability, and information quality (Kim et al., 2008). Meanwhile, affect-based trust antecedents include the reputation of the Internet vendor, the presence of third-party seals, and consumer reviews (Kim et al., 2008). In addition to cognitive and affective trust, Kim et al. (2008) presented two additional dimensions of trust, which are experience-based and personality-based. Experience-based trust antecedents can be described as the familiarity of the consumer with e-commerce, while personality-based trust antecedents are related to consumers' habits and shopping styles (Kim et al., 2008). Moreover, Chen and Dhillon (2003) have proposed three dimensions of trust in Internet vendors, which are competence, integrity, and benevolence. Chen and Dhillon (2003) further described competence as the company's ability to fulfil promises made to consumers while integrity implies the consistency, reliability, and honesty of the company. Meanwhile, benevolence suggests the ability of a company to demonstrate sincere concern for the welfare of consumers.

According to Trivedi and Yadav (2020), trust, when combined with other factors, is an important predictor of initial purchase intention and actual purchase in both online and offline environments. In the context of online shopping, trust is a key

predictor of an individual's attitude and intention to purchase (Ashraf et al., 2014; Hsu et al., 2013; Lin, 2011; Hassanein & Head, 2007). Trust is also an important factor for gaining the confidence of consumers and motivating them to complete the transaction (Hidayat et al., 2021). Due to a lack of trust, consumers frequently abandon their shopping carts and withdraw their purchase intent during e-transactions (Sullivan & Kim, 2018). Therefore, trust is required for successful e-commerce, and marketers must understand how to gain consumer trust and how it affects their behavioural intentions in order to develop a successful e-commerce marketing strategy (Steyn & Mawela, 2016; Fang et al., 2014; Kim et al., 2008; Bart et al., 2005). Consumer trust is important because it can reduce perceived risk (McLean et al., 2020; Oghazi et al., 2018), facilitate consumer decision-making (Punyatoya, 2019), help establish and maintain long-term consumer relationships, increase sales, enhance satisfaction, and foster consumer loyalty (Kim & Peterson, 2017; Mukherjee & Nath, 2007).

Based on the literature, it is imperative to study trust when studying online purchase intention. Furthermore, despite its importance, research on the subject of consumer trust is still limited (Oliveira et al., 2017; Kim et al., 2008), particularly in the context of online purchases of luxury goods in emerging markets such as Malaysia (Falahat et al., 2019). Thus, this study aims to expand knowledge on the subject of trust in online purchases of luxury goods.

2.2.2 Consumer Trust As A Mediator and The Supporting Theories

The fundamental principle of mediation, according to Baron and Kenny (1986), is that the effects of a specific antecedent on a specific outcome are controlled by an internal transformation process. A construct is said to act as a mediator if it explains the relationship between predictors and the criterion (Moriuchi, 2021). Morgan and Hunt (1994) expanded their commitment-trust theory of relationship marketing and developed the Key Mediating Variable (KMV) Model of relationship marketing, "which positioned trust and commitment as mediating variables between five antecedents (relationship termination cost, relationship benefits, shared values, communication, and opportunistic behaviour) and five outcomes (acquiescence,

propensity to leave, cooperation, functional conflict, and decision-making uncertainty)” (Mukherjee & Nath, 2007, p. 1176). The KMV model of relationship marketing basically serves as a foundation to explain trust and commitment as mediating variables between certain antecedents and outcomes.

Another theory used by scholars as a basis to explain trust as the mediator is the Elaboration Likelihood Model (ELM). Basically, ELM is centred on information processing, and it explains how individuals process information or messages through two routes known as a central route and a peripheral route (Petty & Cacioppo, 1984). The theory posits that a person’s attitude can be changed through two thought processing routes that differ in terms of the intensity of thought processes. In the central route, humans require a high level of elaboration, in which they need more effort to process the stimuli (Cheung, Sia, & Kuan, 2012). This situation happens when they need to think deeply before making any decision. Meanwhile, on the peripheral route, humans only need simple cues to evaluate information and make quick decisions (Obiedat, 2013; Cheung et al., 2012). Among studies that use ELM to explain the mediation effect of trust is the study by Lin and Huang (2021), who explain that ELM is a persuasion model that indicates that an individual behavioural intention is indirectly related to source credibility and argument quality through the mediation of trust. Lin and Huang (2021) also use ELM to explain investment intention in online peer-to-peer (P2P) lending, which was found to be indirectly related to source credibility and argument quality through the mediation of trust.

Furthermore, according to Oghazi et al. (2018), scholars mentioned relational signalling theory as the underlying theoretical mechanism that explains trust building (Lindenberg, 2000; Six et al., 2010; Six and Sorge, 2008; Six, 2007). Relational signalling theory suggests three frames of assessment used by individuals: “the hedonic frame (with the main goal of feeling good or better right now), the gain frame (with the main goal of improving one's resources), and the normative or solidarity frame (with the main goal of acting appropriately).” (Oghazi et al., 2018, p. 193). In their study, Oghazi et al. (2018) use lenient return policies as signals or mechanisms to “allow a solidarity frame to build consumer trust by not only fulfilling the hedonic role in the current transaction but also maintaining a gain frame in future relations and solidarity in reducing online purchase risk” (p. 193).

While these theories are useful to support trust as a mediator, they are not suitable to be applied in the study since the focus of this study is to understand how certain marketing signals can help to build trust by addressing the issues of authenticity doubt, information asymmetry, and a lack of luxury experience online.

2.2.2.1 S-O-R Model

Another theory that can be employed to explain trust as a mediator is the S-O-R Model developed by Mehrabian and Russell (1974), which is widely used in the field of consumer behaviour (Zhu et al., 2020). The idea behind the S-O-R Model is that the stimulus (S) component represents the external factor from the environment that can influence a person's or an organism's (O) mental and cognitive state, which in turn produces positive or negative behaviours known as internal or external responses (R) (Mehrabian & Russell, 1974). The position of trust in the S-O-R model is the result of the mental and cognitive state of an organism (O), which is due to the interaction with external factors known as stimulus (S). According to the model, to gain a certain outcome, for instance, an external response such as online purchase intention, the stimulus or the factors selected must be able to influence an individual's mental and cognitive state, which is trust. Figure 2.1 presents the components of the S-O-R model.



Figure 2.1 S-O-R Model

According to Liu, Luo, and Cao (2018), the S-O-R Model proposes that environmental and informational cues act as stimuli, influencing an individual's

cognitive and affective reactions, which in turn influence behavioural intentions (Farzin, Ghaffari, & Fattahi, 2022). Moreover, according to Lin and Lo (2016), stimulus is the component of the external environment that has the power to influence an organism's mental and cognitive state. Following a series of psychological or cognitive processes, the organism would then respond to an external stimulus either internally or externally (Zhu et al., 2020). An example of an internal response is an individual's attitude, while an external response can be manifested as the individual's specific behaviour (Lorenzo-Romero, Alarcon-del-Amo, & Gómez-Borja, 2016). The S-O-R Model is a well-known model that has been used in prior research to explain consumer loyalty, trust, purchasing intention, buying behaviour, engagement, co-creation, and other concepts (Zhu et al., 2020).

Among the theories reviewed to explain trust as a mediator, the most suitable theory to be integrated with the signalling theory used to understand online purchase intention in the study is the S-O-R model. In this study, the signals as described by signalling theory—brand reputation, online reviews, moneyback guarantee, and site aesthetics—will act as the S (stimulus) to influence consumer trust as the mental and cognitive response of the organism (O) and motivate online purchase intention as an external response (R).

2.2.3 Theories Employed in the Study

Based on a literature review, this study finds that an integration of signalling theory into the S-O-R model is appropriate to understand the factors that influence consumer trust and online purchase intention for personal luxury goods. The S-O-R model explains how marketing signals act as the external stimulus (S) to influence trust as a response to a person's or organism's (O) mental and cognitive state, which in turn generates either a positive or negative relationship with online purchase intention as the external response (R). Thus, this model can be the basis for positioning trust as the mediator between marketing signals as independent variables and online purchase intention as the dependent variable in the study.

Meanwhile, signalling theory gives the foundation for selecting marketing signals to understand the issues that consumers face when purchasing personal luxury goods online. The gist behind signalling theory is how marketers choose to implement certain marketing strategies to signal credibility to consumers. However, the signal received by the consumers will be subjected to their own interpretation. Thus, it is important to select the relevant marketing signals that are proven to gain consumer trust and encourage online purchase intention. In this study, brand reputation, online reviews, money-back guarantee, and site aesthetics have been selected as marketing signals to understand the problem of a lack of consumer trust to purchase personal luxury goods online due to issues of authenticity, information asymmetry, and a lack of luxury experience. The selection of independent variables is discussed in detail in the conceptual framework section. Meanwhile, the following sections discuss the independent variables in the study.

2.3 BRAND REPUTATION

Brand reputation is defined as consumers' perception of a product's quality that relates to the brand name (Keller, 1993). According to Herbig and Milewicz (1993), a brand reputation is "established by fulfilling marketing signals, and a firm will lose its reputation if it repeatedly fails to fulfil marketing signals" (p. 18). In addition, to become successful, a brand needs to have a positive reputation since "buyers tend to use brand names as signals of quality and value and often gravitate to products with brand names they have come to associate with quality and value" (Herbig & Milewicz, 1993, p. 22). The reputation of a brand is normally measured by whether it is reputable, trustworthy, and honest in making its claims (Veloutsou & Moutinho, 2009) and a high level of brand reputation can form consumer trust and motivate behavioural intentions (Brady et al., 2008). Therefore, it is important for a company to have a good brand reputation since it plays a vital role in long-term relationships between brands and consumers (Ahmadi & Ataei, 2022; Veloutsou & Moutinho, 2009; Chaudhuri, 2002).

In a similar light, a company's reputation is defined as the degree to which people believe that the company is honest and cares about the welfare of its consumers

(Doney & Cannon, 1997). It is an overall perception of how highly an organisation is held in esteem by the public (Weiss et al., 1999). In the context of e-commerce, a seller's reputation is conceptualised as the extent to which people believe that the e-tailer is concerned about its consumers' interests and welfare (Punyatoya, 2019). According to McKnight et al. (2002), favourable web site reputation reduces the uncertainty of new users and helps build initial trust. It is also one of the significant predictors of repurchase intention (Fang et al., 2014). Given the absence of salespeople to advise the buyer and the absence of physical touch, based on the foundation of signalling theory, scholars revealed that reputation plays an important role in online sales as a sign of product quality (Ren et al., 2021; Li et al., 2020; Falahat et al., 2019; Martín & Camarero, 2009). On the same note, Narwal & Nayak (2020) argued that due to the increase in uncertainty about product quality in online settings, consumers frequently rely on multiple product cues to assess product quality, which is critical in cultivating trust in online marketplaces (Li et al., 2020; Falahat et al., 2019).

Based on the literature, brand reputation can be looked at from either two of these perspectives: the reputation of the luxury brand or goods themselves or the reputation of the e-tailers that market the luxury goods. This factor is significant to study since it plays an important role in building consumer trust for online transactions (Li et al., 2020; Falahat et al., 2019). To date, the influence of a brand's reputation on consumer trust and online purchase intention for personal luxury goods is still limited. As a result, the purpose of this research is to bridge the gap by investigating whether brand reputation is important in building trust and enhancing online purchase intention for personal luxury goods.

2.4 ONLINE REVIEWS

Online reviews, also known as electronic word-of-mouth (E-WOM), are defined as “positive or negative statements” about the good or brand and the seller “made by potential, actual, or former consumers that are accessible to a large number of people via the internet” (Hennig-Thurau et al., 2004, p. 39). Online reviews are argued to be the primary source of information for consumers when making an online purchase

decision (Zhu et al., 2020). Potential luxury online buyers frequently read online reviews posted by other consumers who have experience buying and using those products (Xia Liu, 2013).

Nowadays, consumers are more dependent on online reviews to make purchase decisions (Zhu et al., 2020; Chakraborty, 2019a; Huang et al., 2019; Chen & Chang, 2018). According to scholars, online reviews are one of the dominant factors affecting the consumer purchasing process, influencing up to 20–50% of online purchase decisions since they help reduce information uncertainty (Le & Ha, 2021; Thakur, 2018; Mathwick & Mosteller, 2016). Cheong et al. (2020) reported that in Malaysia, based on the 2017 Local Consumer Review Survey, the results showed that 97 percent of consumers read online reviews for local businesses. Online reviews are preferred by consumers since they help reduce the risks associated with purchase-related decision-making (Bond et al., 2019; Fan et al., 2017; Maslowska et al., 2017).

Studies have also revealed that people developed high levels of trust in anonymous people who posted their reviews online (Nuseir, 2019; Lee & Youn, 2009). Cheong et al. (2020) suggested that, based on past research (see See-To & Ho, 2014; Chan & Ngai, 2011), positive online reviews will increase purchase intention, while negative online reviews can reduce purchase intention. Nuseir (2019) reported the opinion of past scholars who suggested that consumers tend to trust online reviews more than the claims put forth by marketers (Nieto et al., 2014) and this trust will likely result in a greater impact on consumers' purchase intentions and buying decisions (Tham et al., 2013; Lee & Youn, 2009). On a similar note, Fang et al. (2016) also supported the idea the idea that many consumers consider online reviews to be a more credible source of information compared to other traditional sources of information (Chakraborty, 2019b). Past studies have implied that online reviews definitely have an impact on online purchase intention, and this impact is due to the trust shown by consumers in online reviews.

Furthermore, a group of researchers argued that marketers should design online review systems by adapting to the product type and target consumers, especially for niche markets like luxury goods (Kordrostami, Liu-Thompkins, & Rahmani, 2021). A recent study by Shin and Darpy (2020) found that user-generated ratings and reviews are an important source of information for luxury consumers to support their purchase

decisions. In addition, an earlier study by Xia Liu (2013) showed that luxury consumers tend to have a higher level of trust in online reviews.

Despite much research that evidently shows the significance of online reviews on online purchase intention, there is still a lack of research in the context of online luxury purchases (Shin & Darpy, 2020). The concept and application of online reviews are still fairly new to the luxury goods industry (Shin & Darpy, 2020). Thus, studying the influence of online reviews on the purchase intention of personal luxury goods online will contribute valuable insights for theory and practice in the luxury goods market. Based on the literature, in this study, the influence of online reviews was measured from two angles: the luxury goods and the retailer.

2.5 MONEY-BACK GUARANTEE

Money-back guarantee (MBG) is a popular consumer returns policy because it allows the consumer to return a purchased product for a full refund (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Davis et al., 1995). MBG can be described as one of the more lenient return policies since it allows consumers to receive a full refund in return for the product. According to Wood (2001), greater lenience in the return policy resulted in an increased probability of order. It implies that MBG has a probability of increasing the purchase intentions of consumers. This opinion is also supported by other scholars who claimed that a loose return policy (such as MBG) can reduce consumers' perceived risk and instill a positive emotional response, thereby increasing consumers' purchase intention and enhancing their final willingness to pay (Ashfaq et al., 2018; Li et al., 2018; Oghazi et al., 2018; Jeng, 2017; Chen & Chen, 2015; Luo, 2013; Suwelack et al., 2011; Heiman et al., 2001). The scholars also argued that MBG can even enhance consumers' willingness to pay a higher price (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999). However, most past discussion on the influence of MBG on purchase intention has pointed to its role in reducing perceived risk. It is still unclear whether MBG can influence consumer trust and increase their intention to purchase, especially in the context of online luxury purchases.

Furthermore, referring to signalling theory, the money-back guarantee belongs to the high-task signal classification, which is perceived as more reliable by consumers but is costly for marketers to implement (Ren et al., 2021; Narwal & Nayak, 2020; Oghazi et al., 2018; Heiman et al., 2001). In the past, scholars have done studies on the situation when it is appropriate for marketers to implement MBG (see Huang et al., 2021; Ren et al., 2021; Wang, Chen, & Song, 2021; Li et al., 2018; Desmet, 2014; Luo, 2013; Suwelack et al., 2011). It implies that the implementation of MBG should be carefully thought about so that it would benefit both marketers and consumers. Thus, it is critical to determine whether MBG can really bring benefits to both consumers and marketers by investigating whether MBG can help consumers trust the luxury e-retailers and thus purchase from them. The result of this study can help luxury marketers decide whether they need to incorporate the MBG policy into their marketing strategy.

To date, the literature on the influence of MBG on consumer trust and online purchase intention for luxury goods is still very few. Scholars agreed that the study of return policies is still evolving, and the understanding of the role of return policies such as MBG on consumers' purchase intentions is still limited (Rokonuzzaman et al., 2020; Janakiraman, Syrdal, & Freling, 2016; Pei, Paswan, & Yan, 2014). Thus, this study will definitely add value to the body of knowledge by expanding the knowledge in the area.

2.6 SITE AESTHETICS

According to Shukla, Jain and Misra (2021), more recent studies have described site aesthetics as web appearance (Peng et al., 2017), visual appeal (Zheng et al., 2020), perceived attractiveness (Longstreet et al., 2021), design aesthetics (Chaouali et al., 2019), and perceived aesthetics (Yuan et al., 2021). In the context of the study, site aesthetics refers to the appearance (Peng et al., 2017) of all possible luxury online channels, which include luxury brand official websites and apps (Jebarajakirthy et al., 2020), third-party e-commerce websites and platforms (Yu et al., 2018) and social-commerce platforms (Yu & Zheng, 2022).

For consumers who purchase luxury goods online, website atmospherics such as site aesthetics, ease of navigation, user-friendliness, detailed product information,

and personalisation are important elements that influence their online purchase decision (Okonkwo, 2007; Nielsen, 1999). According to Schuiling and Van Regemorter (2021), due to the rapid evolution of luxury consumers who want to purchase luxury brands online, the luxury experience on e-commerce platforms for luxury goods is now as important as the in-store experience. Jain (2021) asserts that the environment of a digital store affects consumers' purchasing intentions (Chen et al., 2010) and decisions (Manganari et al., 2009) in a manner similar to that of physical luxury stores. The claim is in line with the findings from past researchers who discovered that website design, usability, user friendliness, comprehensive product information, and customisation all have an impact on online luxury consumers (Okonkwo, 2007; Nielsen, 1999). Yu et al. (2018) also have the same argument in which luxury retailers should transfer the aesthetically oriented strategy used for traditional luxury to an online luxury website by enhancing the aesthetics and luxuriousness of their website or online stores to attract luxury consumers.

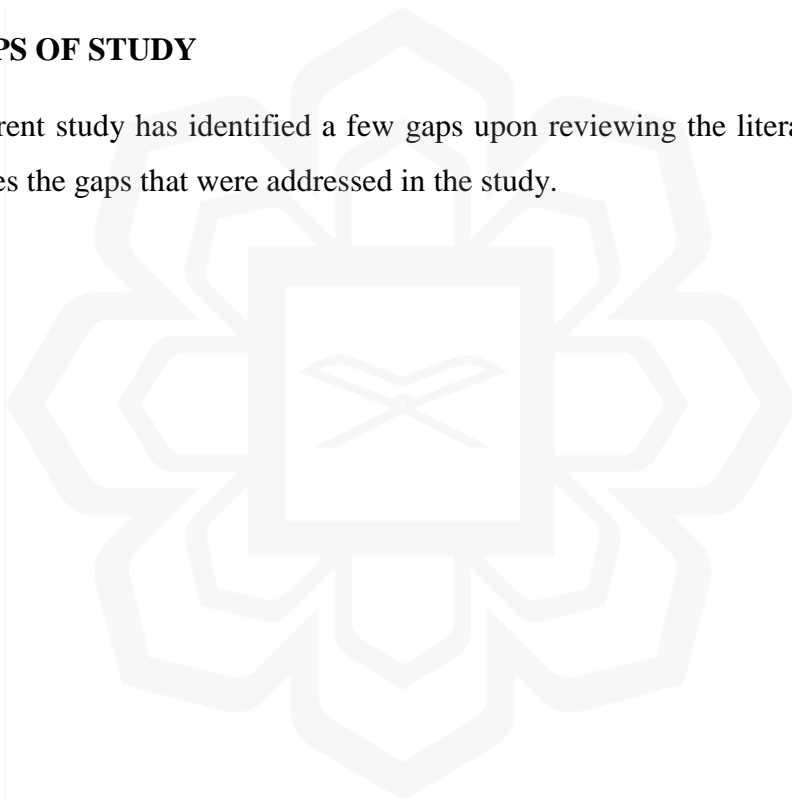
Furthermore, an earlier study by Riley & Lacroix (2003) revealed that in a consumer survey, web aesthetics received the most votes among the elements required in a luxury website. It implies that consumers expect a luxury website to be aesthetically pleasing. Scholars argued that a visually appealing website signals luxury brand identity (Okonkwo, 2010) and can enhance consumers' impressions of the site (Rosen & Purinton, 2004), improve user experience, and evoke positive emotions in consumers (Lee & Lin, 2005), which will eventually impact consumers' trust and loyalty towards the site (Bilgihan, 2016). Moreover, Jain (2021) reported the viewpoint of other scholars who argued that visual appeal does draw consumers' attention and effect their purchase intention (Ha & Lennon, 2011); thus, a luxury website with highly pleasing visuals may convert visitors into actual buyers (Kim, Jung & Lee, 2015).

The literatures on online consumer behavior demonstrate that for luxury brands, an aesthetically designed website is very important (Jain, 2021; Schuiling & Van Regemorter, 2021; Yu et al., 2018; Okonkwo, 2007; Nielsen, 1999) because it signals luxury brand identity (Okonkwo, 2010; Riley & Lacroix, 2003), draws consumers' attention (Ha & Lennon, 2011), improves user experience and evokes positive emotion in consumers (Lee & Lin, 2005), enhances consumers' impression towards the site (Rosen & Purinton, 2004), encourages purchase intentions (Chen et al., 2010) and

purchase decisions (Kim, Jung, Lee, 2015; Manganari et al., 2009) as well as impacts consumer trust and fosters consumers' loyalty (Bilgihan, 2016). Although studies have shown that site aesthetics do have an impact on consumer trust and influence purchase intention, the studies were done separately. Meanwhile, this study aims to find out the influence of site aesthetics on consumer trust and purchase intention simultaneously. This study investigated whether site aesthetics can influence consumer trust and, in turn, encourage online purchase intention.

2.7 GAPS OF STUDY

The current study has identified a few gaps upon reviewing the literature. Figure 2.2 illustrates the gaps that were addressed in the study.



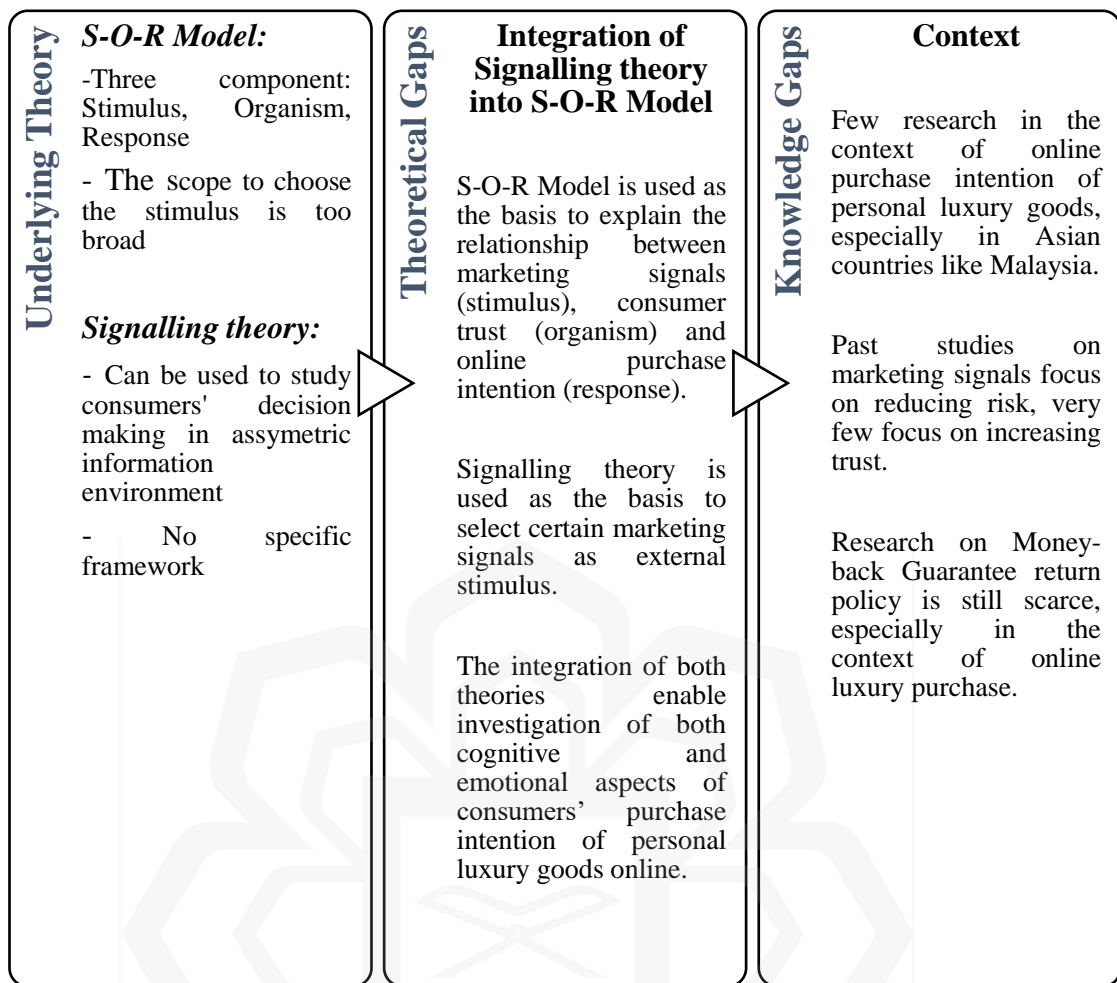


Figure 2.2 Gaps of Study

Although extensive research has been conducted to understand luxury brand consumption on a global scale, especially in the Western context, very limited studies can be found to understand the underlying factors that influence the purchase intention of luxury goods among consumers in emerging Asian markets (Shukla, 2012; Falahat et al., 2019; Jain, 2021; Sharma et al., 2021; Jain, 2024) such as Malaysia. Besides, only some focused on the unique behaviour of online luxury consumers (see Seringhaus, 2005; Okonkwo, 2010; Liu et al., 2013; Burnasheva et al., 2018; Jain, 2021). According to Statista (2024), the sale of the sale of luxury goods in western countries, especially in the largest market, which is the US, has rebounded strongly due to an increase in consumer confidence and growing demand for high-end fashion and accessories. The

second largest market for luxury goods is China, where luxury watches and jewellery have the highest demand due to China's growing middle class (Statista, 2024). Meanwhile, according to Statista (2024), in the Malaysian context, the sale of luxury goods is thriving despite economic challenges because of the increase in demand for high-end fashion and accessories among the affluent population. Based on the 2024 data from the market research company Statista, it is interesting to see that there are differences in the segments of consumers buying luxury goods in the US, China, and Malaysia. This study is interested in knowing whether online sales of personal luxury goods in Malaysia are truly driven by the affluent population or otherwise. It is also interesting to see which segment of personal luxury goods is the most purchased item online among consumers in Malaysia.

From a theoretical perspective, past studies on purchase intention have employed theories such as the Theory of Reasoned Action (TRA), the Theory of Planned Behaviour (TPB), the Dual Process Theory, and the Signalling theory. Signalling theory developed by Spence (1973) explains how sellers credibly convey information to consumers by implementing certain marketing strategies to signal credibility to consumers. Past studies have demonstrated that certain marketing signals may reduce perceived risk and increase purchase intention (see Van Noort et al., 2008; Yu et al., 2018; Ashfaq et al., 2018). This study found that signalling theory can provide an understanding of how marketing signals can address the issues of authenticity, doubt, information asymmetry, and a lack of luxury experience online.

However, since the main focus of this study is on understanding what makes consumers trust to purchase personal luxury goods online, another theory is needed to support the investigation of both factors influencing consumer trust and online purchase intention of personal luxury goods among consumers in Malaysia. Despite its importance, research on the subject of consumer trust is still limited (Kim et al., 2008; Oliveira et al., 2017), particularly in the context of luxury online purchases in emerging markets such as Malaysia (Falahat et al., 2019).

Past studies that investigated trust as a mediator recommended theories such as the Key Mediating Variable (KMV) Model, the Elaboration Likelihood Model (ELM), the Relational Signalling Theory, and the S-O-R Model. The study found that the S-O-R model can provide a solid foundation for understanding the significant relationships

between external forces, the internal state of the individual, and the final responses (Mehrabian & Russell, 1974). In the context of this study, the S-O-R model can explain the relationship between marketing stimulus, consumer trust, and online purchase intention for personal luxury goods. However, the downside of this model is that the scope for selecting the stimulus is too broad. Therefore, integrating signalling theory into the model as the basis for selecting marketing signals as external stimuli is deemed appropriate.

Furthermore, in terms of the selection of independent variables, this study is planned to fill in the gap in the existing literature where only a few studies can be found on money-back guarantees as antecedents for the purchase intention of luxury products online. One study that can be found in such an area is a study by Ashfaq et al. (2018). A money-back guarantee is selected under the impression that consumers normally pay a high price for luxury products, and due to uncertainty in the online environment, consumers need to be assured of some sort of warranty that can enhance their trust in purchasing luxury items online. However, according to scholars, a money-back guarantee is costly for marketers to implement. (Heiman et al., 2001; Oghazi et al., 2018; Narwal & Nayak, 2020; Ren et al., 2021) Therefore, it is important to prove whether a money-back guarantee can guarantee trust and increase purchase intention in order for marketers to decide whether they should implement MBG in their marketing strategy. To date, the literature on the influence of MBG on consumer trust and purchase intention for luxury goods online is still very limited. Scholars agreed that the study of return policies is still evolving, and the understanding of the role of return policies such as MBG on consumers' purchase intentions is still limited (Pei et al., 2014; Janakiraman et al., 2016; Rokonzaman et al., 2020). Thus, this study will definitely contribute to the understanding of the subject matter.

2.8 CONCEPTUAL DEVELOPMENT

2.8.1 Hypotheses Development

This section discusses the hypotheses in the study. The hypothesised linkage between the variables is based on the S-O-R model and signalling theory, supported by empirical evidence from previous studies.

2.8.1.1 Brand Reputation and Consumer Trust

In the context of e-commerce, a seller's reputation is conceptualised as the extent to which consumers believe that the luxury brand and retailer are concerned about their consumers' interests and welfare (Punyatoya, 2019). According to McKnight et al. (2002), favourable web site reputation reduces the uncertainty of new users and helps build initial trust. Moreover, it was reported that a high level of brand reputation can form consumer trust and motivate behavioural intentions (Brady et al., 2008). On a similar note, brand reputation is regarded as a signal of product quality (Ren et al., 2021; Li et al., 2020; Falahat et al., 2019; Martín & Camarero, 2009), and it plays an important role in building consumer trust for online transactions (Li et al., 2020; Falahat et al., 2019). Seo et al. (2020) pointed out that image and reputation are addressed as signals used by consumers when forming attitudes and beliefs about a product; thus, brand reputation plays a vital role in long-term relationships between brands and consumers (Ahmadi & Ataei, 2022; Veloutsou & Moutinho, 2009; Chaudhuri, 2002). Based on the empirical evidence from the literature, hypothesis one (H1) (a) is proposed.

H1 (a): Brand reputation has positive influence on consumer trust.

2.8.1.2 Online Reviews and Consumer Trust

It was revealed that nowadays, consumers are more dependent on online reviews to make purchase decisions (Zhu et al., 2020; Chakraborty, 2019a; Huang et al., 2019; Chen & Chang, 2018). Online reviews are preferred by consumers since they help

reduce the risks associated with purchase-related decision-making (Bond et al., 2019; Fan et al., 2017; Maslowska et al., 2017). According to scholars, online reviews are one of the dominant factors affecting the consumer purchasing process, influencing up to 20–50% of online purchase decisions since they help reduce information uncertainty (Le & Ha, 2021; Thakur, 2018; Mathwick & Mosteller, 2016). Cheong et al. (2020) reported that in Malaysia, based on the 2017 Local Consumer Review Survey, the results showed that 97 percent of consumers read online reviews for local businesses. Moreover, it was found that potential luxury online buyers frequently read online reviews posted by other consumers who have experience buying and using those products because they tend to have a higher level of trust in online consumer reviews (Xia Liu, 2013). Based on the empirical evidence from the literature, hypothesis one (H1) (b) is proposed.

H1 (b): Online reviews has positive influence on consumer trust.

2.8.1.3 Money-back guarantee and Consumer Trust

Referring to signalling theory, money-back guarantees belong to the high-scope signal classification, which is perceived as more reliable by consumers (Ren et al., 2021; Narwal & Nayak, 2020; Oghazi et al., 2018; Heiman et al., 2001). It has been pointed out that a loose return policy such as MBG as a market signal mechanism can promote trust between buyers and sellers, thereby enhancing consumers' purchase willingness (Oghazi et al., 2018). The scholars also argued that MBG can even enhance consumers' willingness to pay a higher price (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999). This study will investigate whether MBG can drive consumers' purchase intentions for personal luxury goods online due to the trust developed. Based on the empirical evidence from the literature, hypothesis one (H1) (c) is proposed.

H1 (c): Money-back guarantee has positive influence on consumer trust.

2.8.1.4 Site Aesthetics and Consumer Trust

A website has a significant role in how a business or organisation is perceived (Schenkman & Jönsson, 2000). Visually appealing online stores signal professionalism (Izogo & Jayawardhena, 2018) and thus form favourable consumer perceptions (Wu et al., 2013). Oyibo and Vassileva (2016) highlighted those extensive studies in the web domain, demonstrating that the perception of aesthetics is largely responsible for determining the credibility of a website. Moreover, the design aesthetics or visual aesthetics of a website were discovered to be important for drawing consumers' attention and gaining their trust (Li & Yeh, 2010; Cyr, Kindra, & Dash, 2008; Agarwal & Venkatesh, 2002; Karvonen, 2000). Scholars also argue that consumers' sense of risk, level of trust, and purchase intention are all greatly influenced by the website's quality in an online setting (Ashfaq et al., 2018; Chang & Chen, 2008). It is therefore important to find out the truth about whether the aesthetics of online stores can influence consumer trust to purchase personal luxury goods online. Based on the empirical evidence from the literature, hypothesis one (H1) (d) is proposed.

H1 (d): Site aesthetics has positive influence on consumer trust.

2.8.1.5 Consumer Trust and Purchase Intention

According to Punyatoya (2019), it is crucial to establish strong consumer trust in order to facilitate consumer decision-making. Currently, trust is a crucial component in various e-commerce research studies, as consumer purchasing intentions may be significantly influenced by consumer trust (Park & Kim, 2016). It was found that trust is a key predictor of an individual's attitude and intention to purchase (Ashraf et al., 2014; Hsu et al., 2013; Lin, 2011; Hassanein & Head, 2007). It can minimise consumers' uncertainty and significantly influence buying intentions (Zhu et al., 2020). It is also thought that consumer trust in the online shop contributes to their intention to make an online purchase (Bhattacharya et al., 2022). Due to a lack of trust, consumers frequently abandon their shopping carts and withdraw their purchase intent during e-transactions (Sullivan & Kim, 2018). The literature has shown that trust is a crucial indicator of successful marketing and branding outcomes, including loyalty, consumer

retention, and purchase intention (Tong & Su, 2018; Kang & Hustvedt, 2014). Based on the evidence from previous studies, trust is indeed crucial for successful e-commerce. Therefore, marketers must understand how to gain consumer trust and how it affects their behavioural intentions in order to develop a successful e-commerce marketing strategy (Steyn & Mawela, 2016; Fang et al., 2014; Kim et al., 2008; Bart et al., 2005). Thus, this study will help marketers understand how trust can influence the purchase intention of personal luxury goods in Malaysia. Based on the empirical evidence from the literature, hypothesis two (H2) is proposed as follow:

H2: Consumer trust has positive influence on purchase intention of personal luxury goods online.

2.8.1.6 Brand Reputation and Purchase Intention

Previous research has found strong links between brand reputation, satisfaction, and purchase intentions (Gounaris & Stathakopoulos, 2004). Furthermore, reputation is also argued to be a significant predictor of repurchase intention (Fang et al., 2014). Tong and Su (2018) conducted a study to explore the impact of a company's reputation on young consumers' trust and purchase intention of organic cotton apparel, and the findings show a significant positive effect on perceived quality, consumer trust, and purchase intentions. Furthermore, another scholar supported the same idea, identifying image and reputation as predictors of satisfaction and purchase intention (Seo, Kim, & Nurhidayati, 2020). Based on the arguments from the literature and supported by signalling theory, it can be said that brand reputation acts as an effective marketing signal to promote purchase intention. Therefore, hypothesis three (H3) (a) of this study is proposed as follow:

H3 (a): Brand reputation has positive influence on purchase intention of personal luxury goods online.

2.8.1.7 Online Reviews and Purchase Intention

Online reviews are argued to be the primary source of information for consumers when making an online purchase decision (Zhu et al., 2020). This implies that consumers consider online reviews as an important factor in their online buying decisions. Many studies found that online reviews have a significant impact on online purchase intention on social media and shopping on websites (Cheong et al., 2020; Erkan & Evans, 2016; Zhao et al., 2015). Online acceptance and appreciation from others have also emerged as important antecedents for purchasing luxury brands (Sharma et al., 2021). Scholars believe that the purchase intention of a luxury brand is positively related to social influence (Hung et al., 2011), and the bandwagon effect still prevails in Asian societies (Rehman et al., 2022; Kapferer & Valette-Florence, 2018; Tsai et al., 2013). Based on the arguments from the literature and supported by signalling theory, it can be said that online reviews act as an effective marketing signal to promote purchase intention. Thus, hypothesis three (H3) (b) is proposed as follow:

H3 (b): Online reviews has positive influence on purchase intention of personal luxury goods online.

2.8.1.8 Money-back guarantee and Purchase Intention

According to Wood (2001), greater lenience in the return policy resulted in an increased probability of order. It implies that the money-back guarantee (MBG) has a probability of increasing the purchase intention of consumers since it promises a full refund to consumers in case they want to return the product (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Davis et al., 1995). Moreover, it was found that consumers are willing to pay a higher price for the product accompanied by MBG (Luo, 2013; Fruchter & Gerstner, 1999; de Groot et al., 2009). It was also argued by scholars that a full refund policy (such as MBG) signals high service quality and thus positively affects purchase intention (Zhang et al., 2017). Moreover, most researchers believe that a loose return policy (such as MBG) can reduce consumers' perception of risk and stimulate emotional responses, thereby enhancing consumers' willingness to purchase and their final willingness to pay (Oghazi et al., 2018; Jeng, 2017; Chen & Chen, 2015; Suwelack et

al., 2011). Based on the arguments from the literature and supported by signalling theory, it can be said that a money-back guarantee acts as an effective marketing signal to promote purchase intention. Therefore, hypothesis three (H3) (c) is proposed as follow:

H3 (c): Money-back guarantee has positive influence on purchase intention of personal luxury goods online.

2.8.1.9 Site Aesthetics and Purchase Intention

Shen et al. (2016) reported that aesthetic formalities in web design, such as "website simplicity and readability," and aesthetic appeal, such as "hedonic web quality and the overall impressiveness," can create the impression of luxury. It was found that site aesthetics, usability, user friendliness, thorough product information, and customisation have an impact on online luxury shoppers (Okonkwo, 2007; Nielsen, 1999). In the context of the study, site aesthetics refer to the classical and expressive attributes of the luxury online channels, which include luxury brand official websites and apps (Jebarajakirthy et al., 2020), third-party e-commerce websites and platforms (Yu et al., 2018), and social-commerce platforms (Yu & Zheng, 2022). The virtual experience of the website can determine whether a consumer stays and makes purchases (Li & Yeh, 2010; Rosen & Purinton, 2004; Jiang & Benbasat, 2003). On a similar note, scholars argued that consumers' sense of risk, level of trust, and purchase intention are all greatly influenced by the website's quality in an online setting (Ashfaq et al., 2018; Chang & Chen, 2008). Recent studies have also shown that there is a positive association between website aesthetics and purchase intention (Alcaraz et al., 2022; Ling et al., 2021; Shukla et al., 2021; Xu & Schrier, 2019). Therefore, it was suggested that luxury businesses should produce an aesthetically attractive web design because the high visual appeal of the e-boutique would help in converting visitors into buyers (Jain, 2021). It can be deduced from past studies that site aesthetics is one of the important elements that can influence luxury consumers' purchase intentions. This study investigates whether consumers in Malaysia place an emphasis on the aesthetics of luxury online stores in Malaysia in order to purchase personal luxury goods online. Based on the arguments

from the literature and supported by signalling theory, it can be said that site aesthetics act as an effective marketing signal to promote purchase intention. Thus, hypothesis three (H3) (d) is proposed as follow:

H3 (d): Site aesthetics has positive influence on purchase intention of personal luxury goods online.

2.8.1.10 Consumer Trust as Mediator

The fundamental principle of mediation, according to Baron and Kenny (1986), is that the effects of a specific antecedent on a specific outcome are controlled by an internal transformation process. A construct is said to act as a mediator if it explains the relationship between predictors and the criterion (Moriuchi, 2021). The position of trust as the mediator between marketing signals and online purchase intention is supported by a theory known as the S-O-R model. The idea behind the S-O-R Model is that the stimulus (S) component represents the external factor from the environment that can influence a person's or an organism's (O) mental and cognitive state, which in turn produces positive or negative behaviours known as internal or external responses (R) (Mehrabian & Russell, 1974). Figure 2.3 summarises the idea.

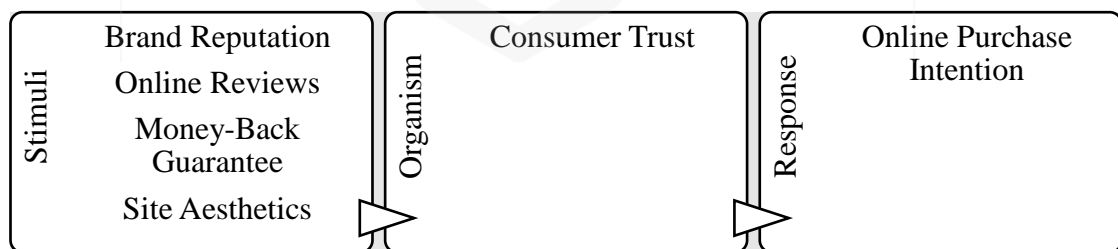


Figure 2.3 S-O-R Model Integration

Therefore, based on the theory, the influence of marketing signals on the online purchase intention of personal luxury goods will be influenced by consumer trust. Thus, hypotheses four (a), (b), (c) and (d) are proposed as follow:

H4 (a): Consumer trust mediates the influence of brand reputation on online purchase intention of personal luxury goods.

H4 (b): Consumer trust mediates the influence of online reviews on online purchase intention of personal luxury goods.

H4 (c): Consumer trust mediates the influence of money-back guarantee on online purchase intention of personal luxury goods.

H4 (d): Consumer trust mediates the influence of site aesthetics on online purchase intention of personal luxury goods.

2.8.2 Conceptual Framework

This study aims to investigate the problem of consumers' lack of trust in purchasing personal luxury goods online due to issues such as doubt of authenticity, a gap in information, and a lack of luxury experience. Thus, the conceptual framework in the study is developed based on the integration of two underpinning theories, namely the S-O-R model and the signalling theory. The S-O-R Model lays the groundwork for describing online purchase intention as the outcome of consumer trust, which is influenced by marketing signals. Meanwhile, signalling theory gives the basis for selecting certain marketing signals as the independent variable. The selection of independent variables in the study is summarised in Table 2.1 below.

Table 2.1 Selection of Independent Variables

Issue/Risk	Marketing Signals	Justification
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Authenticity Doubt	Brand Reputation	<p>“buyers tend to use brand names as signals of quality and value and often gravitate to products with brand names they have come to associate with quality and value” (Herbig & Milewicz, 1993, p. 22).</p> <p>Brand reputation plays an important role in online sales as a sign of product quality (Ren et al., 2021; Li et al., 2020; Falahat et al., 2019; Martín & Camarero, 2009).</p> <p>According to McKnight et al. (2002), favorable web site reputation reduces the uncertainty of new users and helps build initial trust.</p>
	Money-back Guarantee	<p>A loose return policy (such as MBG) can reduce consumers’ perceived risk and instil positive emotional response, thereby increasing consumers’ purchase intention and enhance their final willingness to pay (Ashfaq et al., 2018; Li et al., 2018; Oghazi et al., 2018; Jeng 2017; Chen & Chen 2015; Luo, 2013; Suwelack et al., 2011; Heiman et al., 2001), even for a higher price (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999).</p>
Information Asymmetry	Online Reviews	<p>Online reviews is one of the dominant factors affecting consumer purchasing process, influencing up to 20–50% of online purchase decisions since it helps to reduce information uncertainty (Le & Ha, 2021; Thakur 2018; Mathwick & Mosteller, 2016).</p>

		<p>Shin and Darpy (2020) found that user-generated ratings and reviews are an important source of information for luxury consumers to support their purchase decision.</p>
Lack of Luxury Experience	Site Aesthetics	<p>Website atmospherics such as site aesthetics, ease of navigation, user-friendliness, detailed product information and personalization are important elements that influence their online purchase decision (Okonkwo, 2007; Nielsen 1999).</p> <p>Jain (2021) asserts that the environment of a digital store affects consumers' purchasing intentions (Chen et al., 2010) and decisions (Manganari et al., 2009) in a manner similar to that of physical luxury stores.</p> <p>Riley & Lacroix (2003) revealed that in a consumer survey, web aesthetics received the most votes among the elements required in a luxury website.</p> <p>Scholar argued that visually appealing website signals luxury brand identity (Okonkwo, 2010) and it can enhance consumer' impression towards the site (Rosen & Purinton, 2004), improve user experience and evoke positive emotions in consumers (Lee & Lin, 2005), which will eventually impact consumers' trust and loyalty toward the site (Bilgihan, 2016).</p>

Brand reputation is selected as one of the independent variables as a marketing signal to understand the issue of authenticity doubt because, according to literature, brand reputation is related to the perception of consumers as to whether a brand or a retailer can be trusted (Punyatoya, 2019; Weiss et al., 1999; Doney & Cannon, 1997; Keller, 1993). and in online sales, it plays as a signal of product quality (Ren et al., 2021; Li et al., 2020; Falahat et al., 2019; Martín & Camarero, 2009; Herbig & Milewicz, 1993), thus helping to reduce the uncertainty of consumers and build initial trust (McKnight et al., 2002).

Aside from brand reputation, a money-back guarantee (MBG) is also selected to investigate the issue of authenticity doubt. It is because for luxury purchases, consumers normally pay a high price, and due to uncertainty in the online environment, consumers need to be assured of some sort of warranty that can enhance their trust in purchasing luxury items online. According to scholars, a lenient return policy (for example, MBG) can help to reduce consumers' perceived risk and instill a positive emotional response, thereby increasing consumers' purchase intention and enhancing their final willingness to pay (Ashfaq et al., 2018; Li et al., 2018; Oghazi et al., 2018; Jeng, 2017; Chen & Chen, 2015; Luo, 2013; Suwelack et al., 2011; Heiman et al., 2001), even for a higher price (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999). However, it is argued that MBG is costly for sellers to implement (Ren et al., 2021; Narwal & Nayak, 2020; Oghazi et al., 2018; Heiman et al., 2001). Therefore, it is important to prove whether MBG can enhance trust and increase online purchase intention. Moreover, scholars agreed that the study of return policies is still evolving and that the understanding of the role of return policies such as MBG on consumers' purchase intentions is still limited (Rokonuzzaman et al., 2020; Janakiraman et al., 2016; Pei et al., 2014). Thus, this study plans to fill in the gap by expanding knowledge in the area.

Next, for the issue of information asymmetry, online reviews are selected as the marketing signal because reviews are an important source of information for luxury consumers to support their purchase decision (Shin & Darpy, 2020; Liu et al., 2013) since they can reduce information uncertainty (Le & Ha, 2021; Thakur, 2018; Mathwick & Mosteller, 2016). Scholars argued that positive and negative statements about a good or a brand or seller may influence consumers' perceptions and actions (See-To & Ho,

2014; Chan & Ngai, 2011; Hennig-Thurau, 2004); thus, this study will look for the truth about whether online reviews truly play a significant role in influencing trust and online luxury purchases of personal luxury goods. This is significant because, in order to maintain a minimal and luxurious feel, most luxury retailers do not incorporate online reviews on their website, resulting in information asymmetry (Yu et al., 2018; Kluge et al., 2013) and making it more difficult for consumers to make purchase decisions.

Finally, site aesthetics is selected as one of the independent variables as a marketing signal to investigate whether this factor can help to understand the issue of a lack of luxury experience when consumers shop online. According to Riley & Lacroix (2003), in a consumer survey, web aesthetics received the most votes among the elements required in a luxury website. Besides, this factor is selected because according to the literatures, for luxury brands, an aesthetically designed website is very important (Jain, 2021; Schuiling & Van Regemorter, 2021; Yu et al., 2018; Okonkwo, 2007; Nielsen, 1999) since it signals luxury brand identity (Okonkwo, 2010; Riley & Lacroix, 2003), draws consumers' attention (Ha & Lennon, 2011), improves user experience and evokes positive emotion in consumers (Lee & Lin, 2005), enhances consumers' impression towards the site (Rosen & Purinton, 2004), encourages purchase intentions (Chen et al., 2010) and purchase decisions (Kim, Jung, Lee, 2015; Manganari et al., 2009) as well as impacts consumer trust and fosters consumers' loyalty (Bilgihan, 2016). Thus, it is imperative to find out whether consumers in Malaysia care about the aesthetic of luxury online channels to the point that it can influence their trust and increase purchase intention. Figure 2.4 illustrates the conceptual framework of the study.

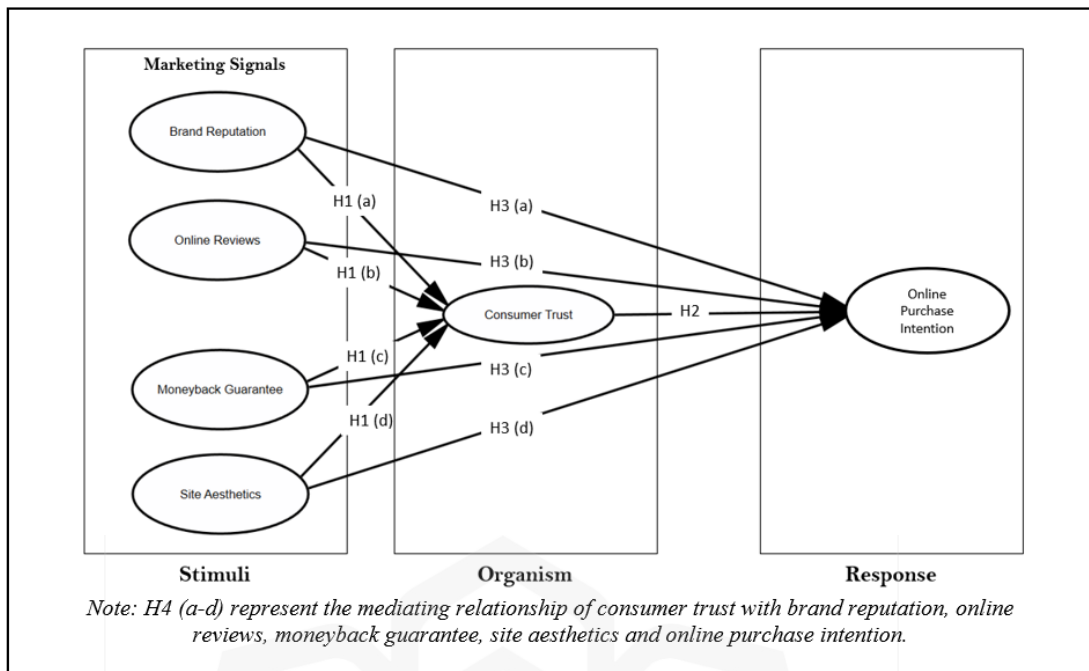


Figure 2.4 Conceptual Framework

2.9 CHAPTER SUMMARY

This chapter discusses the important elements in the conceptual framework of this study, which include purchase intention as the dependent variable, brand reputation, online reviews, money-back guarantee, and site aesthetics as independent variables, as well as consumer trust as the mediating variable. Furthermore, this chapter presented the theories grounding the conceptual framework in the study, which are the S-O-R model and signalling theory. Moreover, research hypotheses are developed based on the S-O-R model and signalling theory, supported by empirical evidence from previous studies. Figure 2.5 shows the flow of Chapter 2.

SUMMARY OF CHAPTER TWO

Chapter Introduction



Purchase Intention



Consumer Trust



Independent Variables



Research Gaps



Conceptual Development



Chapter Summary

Figure 2.5 Chapter Two Summary

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

The chapter starts by laying out the research paradigm of the study. Then, this chapter presents research methodology, starting with research design components such as type of study, population, sampling and sample size, instrument design, and data collection method. Finally, the chapter discusses the data analysis methods that were employed in the study.

3.1 RESEARCH PARADIGM

In theory, there are four basic research paradigms: positivism, interpretivism, critical realism, and pragmatism. Research paradigms are differentiated based on ontology (the assumption about the nature of social reality), epistemology (the way of knowing the nature of reality and knowledge), axiology (value systems and ethical principles), and methodology (the systematic way of studying nature). This study employs a positivist research paradigm where deductive reasoning is used to test the hypotheses drawn from existing theories from past literature. The reason for choosing to follow a positivist research paradigm to conduct this study is because of its objectivity, where the researcher's personal biases and interpretations have no influence on the study. Besides, positivism also offers a systematic approach to data collection and analysis since it follows the scientific method and thus produces reliable and replicable results. In the context of this study, the quantitative research method is employed since it enhances the generalizability of the findings to a larger population. The model developed in the study can be used to predict future studies in the same area. Table 3.1 depicts the summary of the comparison of research paradigms.

Table 3.1 Summary of Research Paradigms (source: author)

	Ontology	Epistemology	Axiology	Methodology	Data Collection Methods	Analytical Methods
	Nature of reality and existence	How knowledge is required	Values or ethics	Systematic approach to conduct research	The way data is obtained	The way data is analysed and interpreted
Positivism	Focus on number and facts					
	Objective, external reality.	Objectivism	Value free	Quantitative, correlational, quasi-experimental, experimental, causal, survey	Questionnaire, observation, test and experiment.	Deduction: testing of theory
Interpretivism	Focus on ideas and opinions					
	Socially constructed.	Subjectivism	Value bound	Qualitative, phenomenology, ethnographic, symbolic interaction, naturalistic	Interviews, case study, participant observation, pictures, photographs, diaries and documents	Induction: generation of theory
Critical Realism	Focus on the reason things happen					
	Both external reality and our perception.	Both objectivism and subjectivism.	Value bound	Can be mixed methods	A combination of techniques	Abduction: Theoretical redescription (empirical data are re-described using theoretical concepts) Retroduction: Focus on causal mechanisms and conditions
Pragmatism	Focus on practicality					
	No specific stance. Reality is changing.	Practical inquiry and problem solving.	No emphasize	Depend on research questions. Can be mixed methods.	A combination of techniques	The purpose of theory is to inform practice.

	The goal is for practical implication.					
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3.2 RESEARCH DESIGN

3.2.1 TYPE OF STUDY

A study can be classified as either qualitative, quantitative, or mixed methods. This study is quantitative in nature. In quantitative research design, there are five common types of design: descriptive, survey research, correlational, quasi-experimental, and experimental. In this study, a survey research design was adopted to collect data from consumers who purchase personal luxury goods online in Malaysia to explain the influence of relevant factors, namely brand reputation, money-back guarantee, online reviews, and site aesthetics, on consumer trust and online purchase intention of personal luxury goods. This method was chosen because it is a common method in business research on the subject of consumer decision-making (Sekaran & Bougie, 2016). Furthermore, online surveys were used as a data collection method because they were cost-effective and timesaving. In addition, the unit of analysis for this study is individual consumers who purchase personal luxury goods online in Malaysia. The details regarding the population and target respondents are discussed in the following section.

3.2.2 POPULATION

The population in this study is made up of consumers in Malaysia who purchase personal luxury goods online. There are a few groups of respondents that were considered for this study. These groups are considered because they represent the population that the researcher intends to study. The respondents were filtered using screening questions. The respondents were provided with a brief description of personal luxury goods (i.e., examples of personal luxury goods and brands). The target respondents considered in this study are as follows:

- a) Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from official luxury brands websites and apps.
- b) Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from third party websites and platforms.

- c) Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from social commerce platforms.

3.2.3 SAMPLING AND SAMPLE SIZE

Non-probability sampling methods, specifically purposive sampling, are employed in the study since the exact number of consumers in Malaysia who purchase personal luxury goods online is unknown. Screening questions were included in the questionnaire to filter the target respondents. The criteria for selecting respondents are those consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from either one of these online luxury sales channels: i) official luxury brand websites and apps; ii) third-party websites and platforms; and iii) social commerce platforms. The minimum sample size in the study was calculated by multiplying the number of questionnaire items by 5, since a 5-point Likert scale is used. According to Bentler and Chou (1987), for normally distributed data, a ratio as low as 5 cases per variable would be sufficient when latent variables have multiple indicators. In this study, there are a total of 28 questionnaire items. Thus, the minimum sample size is 140. The G-Power method is not used in the study since the framework is quite complicated since it includes the mediation paths. In addition, this study will use SEM for data analysis; thus, it needs a sufficient sample size to operate. A minimum of 200 sample sizes will be required (Kline, 2011) to use SEM. In this study, a total of 226 samples were collected, with 214 clean data used for data analysis.

3.2.4 INSTRUMENT DESIGN AND DATA COLLECTION METHOD

This study uses an online questionnaire as the instrument for data collection since it has the advantages of speed and timeliness, is convenient for both the researcher and respondents, has a “required feature” that necessitates the respondent to complete a certain question before moving on to the next one, as well as ease of data entry and analysis (Evans & Mathur, 2018). The questionnaire items were adapted from previous

literature to fit the context of the study. A brief description of the study, including the key terms, was provided to the respondents on the front page of the questionnaire to help them understand the objective of the survey. The next page was screening questions, which function to filter the respondents. Next, a consent letter was provided to ask consent from the respondents before they started filling out the questionnaire. The questionnaire starts with items for each independent variable, followed by the dependent variable and the mediating variable. Finally, the respondents were asked questions about their demographic profile. In addition, transition statements were included to assist the respondents in answering the questions. The questionnaire items were designed using a standard 5-point Likert scale (Maichum, Parichatnon, & Peng, 2017), ranging from strongly disagree (1) to strongly agree (5). This scale was chosen since it is most recommended by researchers to reduce the frustration level of the respondents, increase the response rate, and improve the improve the response quality (Sachdev & Verma, 2004; Babakus & Mangold, 1992).



3.2.4.1 Questionnaire Development

Questionnaire items for this study are depicted in Table 3.2. A total of 28 items are adapted from the literature. A sample of a complete set of questionnaires can be found in Appendix B.

Table 3.2 Questionnaire Items

Variable	Items	Authors
Purchase Intention (PI) = 4 items	<ul style="list-style-type: none"> • If I am going to purchase a personal luxury goods, I would consider buying it online. • For a personal luxury goods, the likelihood I would purchase it online is high. • If I am shopping for personal luxury goods, I would prefer to do it online. • The probability I would consider purchasing personal luxury goods online is high. 	(Bian & Forsythe, 2012)
Brand Reputation (BR) = 6 items	Reputation of Luxury Brands <ul style="list-style-type: none"> • Luxury goods brands are trustworthy. • Luxury goods brands have good reputation (respected by people). • Luxury goods brands make genuine claim about their products. 	(Veloutsou & Moutinho, 2009)
	Reputation of Luxury Retailers <ul style="list-style-type: none"> • Online luxury sellers are concerned about providing the best quality product and service to their consumers. • Online luxury sellers treat their consumers well. • Online luxury sellers pay much attention to the needs of their consumers. 	
Online Reviews (OR) = 6 items	Product Reviews <ul style="list-style-type: none"> • I find a luxury goods to be good after reading all of the reviews and responses. • I find a luxury goods to be favorable after reading all of the reviews and responses. • I find a luxury goods to be satisfactory after reading all of the reviews and responses. 	(Lafferty & Goldsmith, 1999)

	Reviews on Retailers	
	<ul style="list-style-type: none"> • I find a luxury seller to be good after reading all of the reviews and responses. • I find a luxury seller to be favorable after reading all of the reviews and responses. • I find a luxury seller to be satisfactory after reading all of the reviews and responses. 	
Money-back guarantee (MBG) = 4 items	<ul style="list-style-type: none"> • I believe if the online retailer promises a money-back guarantee, I will prefer to purchase personal luxury goods online. • I believe if the online retailer provides the moneyback guarantee which is easy to claim, I will prefer to purchase more personal luxury goods online. • I believe if the online retailer offers a reasonable duration for a money-back guarantee, I would like to purchase personal luxury online. • I believe money-back guarantee is credible and believable. 	(Ashfaq et al., 2018)
Site Aesthetics (SA) = 4 items	<ul style="list-style-type: none"> • The screen design (i.e., colors, boxes, navigation bars, etc.) of luxury online stores is usually attractive. • The luxury online store normally looks expensive, sophisticated and seamless. • The overall look and feel of the luxury online store is commonly visually appealing. • My decision to buy luxury goods online would depend upon luxury online store aesthetics. 	(Jain S., 2021; Li & Yeh, 2010)
Consumer Trust (CT) = 4 items	<ul style="list-style-type: none"> • I feel that online luxury sellers are very dependable. • I feel that online luxury sellers are very competent. • I feel that online luxury sellers have very high integrity. • I feel that online luxury sellers are very responsive to consumers. 	(Unal & Tascioglu, 2022)

3.2.4.2 Content Validity and Face Validity

The sample of the questionnaire was sent to expert validators for content validity and face validity. In the beginning, a total of 16 experts from the marketing departments of various public universities in Malaysia were contacted for the purpose of survey instrument validation. However, after a month and a follow-up email, only four experts responded with feedback. In addition, feedback from expert 4 was received when the data collection had been conducted; therefore, the feedback could not be incorporated. The feedback from experts 1–3 (refer to Appendix C) was used to improve the content, flow, and clarity of the questionnaire items.

3.2.4.3 Pilot Test

After improving the questionnaire with feedback from the experts, a pilot test was conducted to check the questionnaire's reliability. A total of 43 respondents attempted to participate in the pilot test. However, only 30 respondents proceed to complete the questionnaire since the rest do not meet the selection criteria. According to scholars, 30–50 respondents are sufficient and considered very good for a pilot study (Mooney and Duval, 1993; Davis & Cosenza, 1988). The pilot test was conducted to test the reliability of the questionnaire items. The Cronbach Alpha values range from 0.745 to 0.931, which indicates good to strong reliability between the questionnaire items. Table 3.3 shows the Cronbach Alpha results.

Table 3.3 Cronbach Alpha Results for Pilot Test

Variable	Cronbach's Alpha	N of items	Internal consistency level
Brand Reputation	.875	6	Good
Online Reviews	.895	6	Good

Money-back guarantee	.881	4	Good
Site Aesthetics	.868	4	Good
Consumer Trust	.745	4	Good
Purchase Intention	.913	4	Excellent

3.2.4.4 Ethical Considerations

Among the ethical considerations for this study is informed consent. The respondents were provided with a consent letter for participation in the survey. Only those who agree to participate in the study will proceed to answer the questionnaire. Besides, the respondents were also given the right to withdraw their participation at any time. In addition, the information received from the respondents will be anonymous and confidential. The collected data will be stored according to IIUM PG policies and procedures for data keeping and protection. The sample consent letter can be referred to in Appendix A.

3.3 DATA ANALYSIS METHOD

The data collected in this study were analysed using IBM Statistical Package for the Social Sciences (SPSS) version 26 and its added module, AMOS. Before conducting the analysis, the data were screened to eliminate those that were redundant and not useful for the study. After that, the data were input into SPSS, and a few coding procedures were performed. Next, the data were tested for normal distribution assumptions using the normality test in SPSS. The same test was used to identify and remove outliers from the data. The clean data were then used for further analysis in SPSS, such as descriptive analysis, reliability analysis, and exploratory factor analysis (EFA). Finally, AMOS was utilised to conduct confirmatory factor analysis (CFA) and structural equation modelling (SEM). Further explanations of the analysis are discussed in the following sections.

3.3.1 Descriptive and Frequency Analysis

Descriptive and frequency analyses were performed to assess the mean, median, and standard deviation of the data. Meanwhile, frequency analysis was conducted on the demographic profiles of the respondents. This analysis is important as it will reveal the characteristics of the people from whom the data were collected. The analysis will give the readers a first impression of the validity and reliability of the research data.

3.3.2 Reliability Analysis

Reliability tests were conducted to see the internal consistency of the questionnaire items and how closely related the items are to each construct. Generally, the acceptable value of Cronbach Alpha is in the range of 0.60 to 0.70 (George & Mallery, 2003), and a Cronbach's alpha's value closer to 1 indicates greater stability and consistency (Nunnally J., 1978).

3.3.3 Exploratory Factor Analysis

Exploratory factor analysis (EFA) was performed mainly to investigate the underlying factors in the study on the basis of principal component analysis (PCA), and the aim was to reduce the large number of items to a few groups of variables known as factors (Kamran & Siddiqui, 2019). This test has two important indicators: the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is normally conducted to analyse the strength of association among the items. Generally, the KMO value ranges from 0 to 1, and the acceptable value to be eligible for confirmatory factor analysis is 0.60. Meanwhile, Bartlett's test of sphericity is generally run to test whether a correlation matrix is significantly different from an identity matrix. The Bartlett's test is considered significant at $p < 0.001$, and it indicates that the data in the study is suitable for confirmatory factor analysis.

3.3.4 Structural Equation Modelling

Structural equation modelling (SEM) refers to a statistical procedure that simultaneously performs path analysis and confirmatory factor analysis. According to Smelser and Baltes (2001), among the pros of using SEM are explicit assessment of measurement error, estimation of latent (unobserved) variables via observed variables, and model testing, where a structure can be imposed and accessed to fit the data. In this study, AMOS (analysis of moment structures) will be used as the tool to perform SEM. This is because it is easy to operate and it provides a convenient graphical user interface for beginners to use (Nam, Kim, & Jin, 2018; Hair, Gabriel & Patel, 2014). In addition, AMOS is specifically designed to test hypotheses about the relationship between variables, and it can also show how fit the hypothetical model is compared to the real data in the field (Purwanto et al., 2021). In the first stage of SEM, confirmatory factor analysis (CFA) was conducted. Meanwhile, in the second stage, hypothesis testing along with mediation analysis was conducted.

3.3.4.1 Confirmatory Factor Analysis

The CFA was performed to test the fitness of the measurement model by adopting maximum likelihood estimation (MLE). Hooper et al. (2008) have recommended a few important indices, namely normed chi-square (CMIN/DF), the comparative fit index (CFI), and the root mean square error of approximation (RMSEA), to evaluate the fitness of the measurement model. In this study, the fitness of the model fit was interpreted based on the threshold values suggested by the scholars, as shown in Table 3.4.

Table 3.4 Goodness of Fit for the Measurement and Structural Model

Model Fit	Threshold	References
Absolute Fit		
CMIN/DF	≤ 3	(Kline, 2011)
RMSEA	≤ 0.08 ; acceptable ≤ 0.05 ; excellent	(MacCallum, Browne, & Sugawara, 1996)
GFI	≥ 0.90 ; reasonable ≥ 0.95 ; excellent 1; perfect	(Hu & Bentler, 1999) (Kline, 2011)
Incremental Fit		
CFI	≥ 0.90 1; perfect	(Fan, Xitao, Thompson, & Wang, 1999) (Hu & Bentler, 1999)
AGFI	≥ 0.80	(Tabachnick & Fidell, 2007)
Parsimonious Fit		
PNFI	≥ 0.50	(Hu & Bentler, 1999)
PCFI	≥ 0.60	(Hu & Bentler, 1999)

3.3.4.2 Hypotheses Testing

SEM is normally conducted for two purposes. The first one is to evaluate the structural relationship between exogenous (independent) and endogenous (dependent) variables (Kamran & Siddiqui, 2019). The second purpose is to test the hypotheses in the study.

The hypothesised causal relationships among the constructs of the model are evaluated based on regression weight outputs that give the beta coefficient (β), critical ratio (CR), and p-value. A path or hypothesis is considered significant if the CR is larger than 1.96 and the p-value is less than 0.05 (Hair et al., 1992), whereas the estimate value or beta coefficient value determines whether a path has a positive or negative impact.

3.3.4.3 Bootstrapping

Bootstrapping is “one of several resampling strategies for estimation and hypothesis testing” (Preacher, Rucker, & Hayes, 2007, p. 190). Among the advantages of using bootstrapping is that it may be applied to small sample sizes and does not rely on the assumption of normality (Sidhu, Bhalla, & Zafar, 2021). Bootstrap was performed using the suggested 5000 bootstrap sample and a bias-corrected confidence interval of 95 (Collier, 2020) to examine the mediation effect in the model. The output of the analysis includes the indirect effects and confidence intervals with lower and upper bound values, as well as a two-tailed significance p-value that will determine whether there is a mediation effect in the model and whether the mediation effect is full mediation or partial mediation.

3.4 CHAPTER SUMMARY

This study employs a positivist research paradigm where deductive reasoning is used to test the hypotheses drawn from existing theories from past literature. This study is quantitative in nature, and a survey research design was adopted to collect data from consumers who purchase personal luxury goods online in Malaysia. Online surveys were used as a data collection method, and the unit of analysis for this study is individual consumers who purchase personal luxury goods online in Malaysia. The target respondents considered in this study are as follows:

1. Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from official luxury brands websites and apps.
2. Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from third-party websites and platforms.
3. Consumers in Malaysia who purchase or have the intention to purchase personal luxury goods from social commerce platforms.

Non-probability sampling methods, specifically purposive sampling, are employed in the study. Screening questions were included in the questionnaire to filter the target respondents. The minimum sample size in the study was calculated by multiplying the number of questionnaire items by 5, since a 5-point Likert scale is used. In this study, there are a total of 28 questionnaire items. Thus, the minimum sample size is 140. However, this study will use SEM for data analysis; thus, a minimum of 200 sample sizes was required (Kline, 2011).

Questionnaire items were adapted from the literature. The items were sent to an expert for content and face validity. A total of 16 experts from the marketing departments of various public universities in Malaysia were contacted for the purpose of survey instrument validation. However, only four experts responded with feedback. Then, a pilot test was conducted to test the reliability of the questionnaire items. A total of 43 respondents attempted to participate in the pilot test. However, only 30 respondents proceed to complete the questionnaire since the rest do not meet the selection criteria. In the pilot test, the Cronbach alpha value for all 28 items was 0.935, which indicates strong reliability between the questionnaire items.

This chapter has also explained in detail the data analysis methods that were employed in the study. Among the analyses conducted are normality analysis, descriptive analysis, reliability analysis, exploratory factor analysis, confirmatory factor analysis, structural equation modelling, and bootstrapping. SPSS and AMOS software were utilised to conduct the data analysis. Figure 3.1 depicts the flow of this chapter.

SUMMARY OF CHAPTER THREE

Introduction



Research Paradigm



Research Design

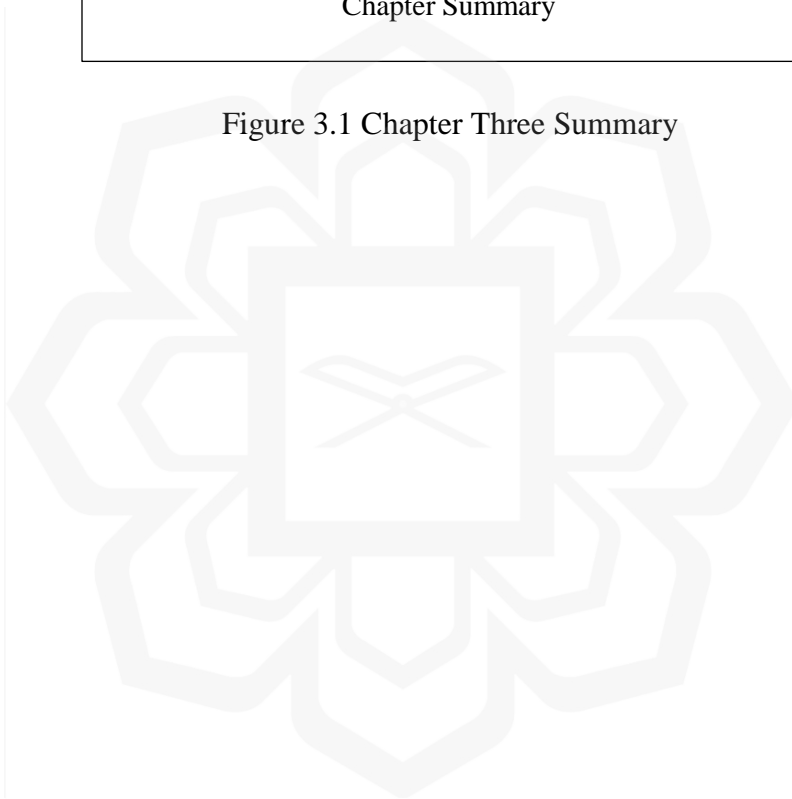


Data Analysis Method



Chapter Summary

Figure 3.1 Chapter Three Summary



CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.0 INTRODUCTION

This chapter presents a data analysis and discussion of the findings of the study. SPSS and AMOS were employed to conduct normality tests, descriptive and frequency analyses, reliability tests, exploratory factor analysis (EFA), and structural equation modelling (SEM), which includes confirmatory factor analysis (CFA), hypotheses testing, and mediation analysis. A thorough discussion of the processes of data collection, data cleaning, and data analysis is discussed in the following subtopics.

4.1 DATA CLEANING, NORMALITY TEST AND OUTLIERS

Data collection for this study was conducted online from May 12, 2023, until June 9, 2023. A Google Form survey link was distributed to respondents through social media platforms, which are Facebook, Instagram, Twitter, and WhatsApp. In the beginning, a total of 261 respondents participated in the data collection. However, only 226 people proceeded to complete the questionnaire since 35 of them did not meet the selection criteria. The response rate is 86.59 percent, and there is no missing data in the study. The data collected through Google Form was viewed in Google Sheets and downloaded into Microsoft Excel format. In Excel, the data was prepared to be imported to IBM SPSS Statistics version 26 software for data analysis. In SPSS, a coding process was performed to enable the data to be analysed in the software.

After that, a normality test was conducted to check whether the data followed a normal distribution. Normality was assessed visually using a normal Q-Q plot. Since there are four items of dependent variables, there are four normal Q-Q plots produced. From the normal Q-Q plot outputs produced from the test, it was observed that the data followed a normal distribution as the data points were closed to the diagonal line. This

case is true for all four normal Q-Q plots (refer to figures D1, D3, and D5 in Appendix D). In addition, the normality of the data was also assessed by using skewness and kurtosis values. Normality is judged by the value of the z-score, which is calculated by dividing the skewness or kurtosis by their standard error. The general rule of thumb is that if the number of samples is less than 50, the z-score should be less than ± 1.96 (Ghasemi & Zahediasl, 2012). Meanwhile, if the number of samples is between 50 and 300, then the z-score should be less than ± 3.29 , while for larger samples, normality can be determined by an absolute skewness value of ± 2 or an absolute kurtosis value of ± 4 (Kim H. Y., 2013). In this study, since the sample is between 50 and 300, the z-score value reference is less than ± 3.29 . By referring to the z-score value, the data in the study is concluded to satisfy the normality assumption. The calculation of z-score values can be referred to in Tables D1-3 in Appendix D.

Then, from the same normality test, normality outliers were graphically identified using boxplots (refer to Figures D2, D4, and D6 in Appendix D) and were removed from the database. The boxplot method is used because of its simplicity, in which the outliers can be identified graphically, apart from its advantage of not using extreme outliers to calculate dispersion (Thanwiset & Srisodaphol, 2023). This process was repeated until there were no more outliers. In total, 12 samples were detected as outliers and were removed from the database. The outliers were removed since they “come from a different distribution than that for the majority of the data set” (Schwertman, Owens, & Adnan, 2004, p. 165), which can affect the findings of the study. In the end, a total of 214 samples were used for further data analysis.

4.2 DESCRIPTIVE AND FREQUENCY ANALYSIS

In this study, a total of 214 valid responses were analysed. Descriptive analysis was performed to find out the descriptive statistics, which include the mean, median, and standard deviation of each variable. In the study, the scale used is from 1 (strongly disagree) to 5 (strongly agree). The mean value indicates the average value of the data and is sensitive to extremely large or small values. On the other hand, the median is the middle value in a dataset that is sorted from the lowest to the highest. Meanwhile, the

standard deviation measures the dispersion or spread of values in a dataset. It measures the degree to which a given value deviates from the mean. A standard deviation near zero implies that the data points are relatively close to the mean, whereas a bigger standard deviation shows that the data points are spread more out from the mean.

Overall, the items have a mean value ranging from 3.33 to 4.21, which indicates that, on average, the values selected by respondents range from the middle of the scale to the upper end of the scale. For median values, most of the items have a value of 4, while items from the purchase intention construct have a median value of 3. The values indicate symmetry or central tendency around the upper end and middle of the scale, respectively. Finally, the results of the standard deviation values suggest some variability in the data from the mean since they are not close to zero. Table 4.1 illustrates the results.

Table 4.1 Mean, Median, Std. Deviation

	N		Mean	Median	Std. Deviation
	Valid	Missing			
BR1	214	0	4.00	4.00	0.805
BR2	214	0	4.21	4.00	0.704
BR3	214	0	3.88	4.00	0.819
BR4	214	0	3.94	4.00	0.726
BR5	214	0	3.80	4.00	0.707
BR6	214	0	3.77	4.00	0.750
OR1	214	0	4.00	4.00	0.747
OR2	214	0	4.00	4.00	0.728
OR3	214	0	3.97	4.00	0.708
OR4	214	0	3.94	4.00	0.699
OR5	214	0	3.93	4.00	0.689
OR6	214	0	3.98	4.00	0.688
MBG1	214	0	4.05	4.00	0.809
MBG2	214	0	4.14	4.00	0.756
MBG3	214	0	4.06	4.00	0.736
MBG4	214	0	3.88	4.00	0.861
SA1	214	0	4.03	4.00	0.728
SA2	214	0	4.06	4.00	0.761
SA3	214	0	4.01	4.00	0.678

SA4	214	0	3.47	4.00	0.967
CT1	214	0	3.68	4.00	0.651
CT2	214	0	3.70	4.00	0.646
CT3	214	0	3.57	4.00	0.758
CT4	214	0	3.72	4.00	0.759
PI1	214	0	3.49	3.00	0.749
PI2	214	0	3.47	3.00	0.785
PI3	214	0	3.33	3.00	0.815
PI4	214	0	3.46	3.00	0.820

Furthermore, the demographic profile of the respondents was analysed using frequency analysis. From a total of 214 responses, 166 respondents are female, accounting for 77.6% of the total respondents, while 48 are identified as male, which represents 22.4% of the total respondents. According to the statistics, women make up the vast majority of responses. This could be attributable to a variety of factors, one of which is the difference in behaviour when it comes to readiness to engage in a research survey.

In terms of age category, consumers between the ages of 21 and 30 account for 44.9% of all responses, followed by those between the ages of 41 and 50 (21.5%), 31–40 (18.7%), and 51–60 (15%). This data could indicate that the young generation is more likely to engage in online research surveys or to shop for luxury goods online. In relation to race, the majority is Malay, with 199 responses that constitute 93% of the total responses, followed by other races (11, 5.1%) and Chinese (4, 1.9%). In this case, the main reason could be due to the researcher's background and lack of networking. Although the survey was distributed openly via social media, which implies that all consumers who are on social media have a chance to see it, the survey did not reach more people of different races due to the researcher's lack of network. The survey was also circulated in a specific Facebook group whose main interest is shopping for luxury products, and the group includes Malaysians of all races; nonetheless, the response rate of non-Malays remains low.

Moreover, the respondents were also asked for their monthly income information. In total, 33.6% of respondents reported a monthly income of between RM 5500 and RM 10,500. Meanwhile, 23.8% of respondents earn between RM 1500 and

RM 3500 per month, 19.2% earn between RM 3500 and RM 5500 per month, 15% earn less than the Malaysian minimum wage of RM 1500, and 8.4% earn more than RM 10,500 per month. Apart from that, respondents were asked for more information on the categories of personal luxury products they purchased online as well as their preferred type of online shopping channel. Shoes, bags, and other fashion items received the most votes from respondents, accounting for 38.3%, followed by fragrance, skincare, makeup, bath, and body products, which received 35.5%. Other categories include clothing (11.2%), jewellery (9.8%), and watches (5.1%). Moreover, 46.3% choose a third-party online platform for luxury purchases, 27.6% prefer a luxury brand's official website or mobile app, 14.5% prefer a reseller's website or mobile app, and 11.7% prefer social commerce platforms. Alternatively, 72.4% of respondents prefer not to purchase luxury goods directly from the luxury brand's official online shopping website or mobile app. Table 4.2 summarises the findings of this analysis.

Table 4.2 Demographic Profile of Respondents

Demographic Variables		Research sample (n = 214)	
		Number of Respondents	Percentage (%)
Gender	Female	166	77.6
	Male	48	22.4
Age Group	21-30	96	44.9
	31-40	40	18.7
	41-50	46	21.5
	51-60	32	15.0
Race	Malay	199	93
	Chinese	4	1.9
	Indian	-	-
	Others	11	5.1
	Below RM 1500	32	15

Monthly Income	RM 1500- RM 3500	51	23.8
	RM 3500- RM 5500	41	19.2
	RM 5500- RM 10,500	72	33.6
	RM 10,500 and above	18	8.4
Types of Personal Luxury Goods	Jewelleries	21	9.8
	Clothing	24	11.2
	Shoes, Bags and Other Fashion Accessories	82	38.3
	Watches	11	5.1
	Fragrance, Skincare, Makeup, Bath and Body Products	76	35.5
Online Shopping Channel	Luxury brand official website/mobile app	59	27.6
	Reseller's website/app	31	14.5
	Third-party e-commerce platforms	99	46.3
	Social commerce platforms	25	11.7

4.3 RELIABILITY ANALYSIS

A reliability test was performed on variables in this study. The general rule of thumb states that a value of Cronbach's alpha closer to 1 indicates greater stability and consistency (Nunnally, 1978). However, the generally accepted threshold value for social science research studies is in the range of 0.60 to 0.70 (George & Mallery, 2003), as indicated in Table 4.3.

Table 4.3 Cronbach's Alpha Threshold Value

Internal Consistency Level	Cronbach's Alpha Value (α)
Excellent	$\alpha \geq 0.90$
Good	$0.70 \leq \alpha < 0.90$
Acceptable	$0.60 \leq \alpha < 0.70$
Poor	$0.50 \leq \alpha < 0.60$
Unacceptable	$\alpha < 0.50$

In this study, reliability tests were performed on each variable to check the internal consistency of their respective items. The outcomes range from good to excellent. The details are depicted in Table 4.4.

Table 4.4 Reliability Test Results

Variable	Cronbach's Alpha	N of items	Internal consistency level
Brand Reputation	.796	6	Good
Online Reviews	.921	6	Excellent
Money-back guarantee	.843	4	Good
Site Aesthetics	.743	4	Good
Consumer Trust	.847	4	Good
Purchase Intention	.898	4	Good

4.4 EXPLORATORY FACTOR ANALYSIS

Exploratory factor analysis was performed based on principal component analysis to identify the number of factors in the study. Two important indicators in the test include the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. Apart from that, the table of variance explained, and the rotated component matrix have also been taken into account.

4.4.1 KMO and Bartlett's Test

The Kaiser-Meyer-Olkin (KMO) measure of sample adequacy was used to examine the degree of relationship between variables. The KMO test was used to evaluate which element should be removed from the construct due to multicollinearity. In general, the KMO value ranges from 0 to 1, and it must be greater than 0.60 to be qualified for confirmatory factor analysis. Meanwhile, Bartlett's sphericity test was performed to determine whether there is duplication among variables that can be put together under a few numbers of components. At $p < 0.001$, the Bartlett's test is considered significant. Based on the figures in Table 4.5, the KMO value and the Bartlett's test are both significant at 0.863 and 0.000, respectively.

Table 4.5 KMO and Bartlett's Test Results

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.863
Bartlett's Test of Sphericity	Approx. Chi-Square	3514.425
	df	378
	Sig.	.000

4.4.2 Total Variance Explained and Factor Loading

In this study, any factor with an eigenvalue less than one was discarded as the criterion of an eigenvalue larger than one was employed as the basis for factor extraction. An initial eigenvalue greater than one indicates that there is sufficient total variance explained to constitute a distinct component. Based on the results of the analysis, six components have eigenvalues greater than one, resulting in a clear six-factor structure. Furthermore, the results of the six extracted components accounted for 67.641% of the total variance. Table 4.6 provides an overview of the results.

Table 4.6 Total Variance Explained

Factors	Initial Eigenvalues	% of Variance	Cumulative %
Online Reviews	8.782	31.365	31.365
Consumer Trust	3.205	11.448	42.813
Purchase Intention	2.228	7.958	50.771
Money-back guarantee	1.805	6.445	57.217
Brand Reputation	1.530	5.463	62.680
Site Aesthetics	1.389	4.961	67.641

The Varimax orthogonal rotation approach was used to rotate the component matrix, which reduces the number of latent variables, otherwise known as factors. The factor loading indicates the affinity of individual items with the extracted factors. A higher loading means that an item is closely associated with a factor. In general, a factor loading of 0.50 or above is required for an item to be regarded as relevant to a factor. Table 4.6 provides an overview of the results of the rotated component matrix. Most of the items have factor loadings above 0.5. However, based on the analysis, two items in

the brand reputation factor (BR5 and BR6) were removed due to a cross-loading with another factor, which is consumer trust. In addition, one item from the site aesthetics factor (SA4) was also removed since the factor loading is less than 0.5. The final outcome of the rotated component matrix can be found in Table 4.7.

Table 4.7 Rotated Component Matrix

Items	Components					
	Factor 1 Brand Reputation	Factor 2 Online Reviews	Factor 3 Money- back Guarantee	Factor 4 Site Aesthetics	Factor 5 Consumer Trust	Factor 6 Purchase Intention
BR1	.755					
BR2	.638					
BR3	.689					
BR4	.647					
BR5						
BR6						
OR1		.780				
OR2		.749				
OR3		.800				
OR4		.827				
OR5		.813				
OR6		.817				
MBG1			.810			
MBG2			.852			
MBG3			.846			
MBG4			.626			
SA1				.752		
SA2				.822		
SA3				.807		

SA4				.438*		
CT1					.646	
CT2					.728	
CT3					.715	
CT4					.769	
PI1						.816
PI2						.851
PI3						.878
PI4						.878

*Note. Value less than 0.50

In the beginning, the study aims to look at brand reputation from either two of these perspectives: the reputation of the luxury brand itself or the reputation of the e-tailers that market the luxury goods. The questionnaire items for brand reputation are as follows:

Reputation of Luxury Brands and Retailers:

1. Luxury goods brands are trustworthy.
2. Luxury goods brands have a good reputation (respected by people).
3. Luxury goods brands make genuine claims about their products.
4. Online luxury sellers are concerned about providing the best quality product and service to their consumers.
5. Online luxury sellers treat their consumers well.
6. Online luxury sellers pay much attention to the needs of their consumers.

However, after exploratory factor analysis, items five and six were removed from the construct due to cross-loading with other factors. Thus, the study concluded that consumers assess the reputation of a luxury goods brand or retailer based on

trustworthiness, respect, genuine product claims, and a commitment to providing high-quality products and services to their consumers.

Meanwhile, for site aesthetics, the item that is removed from the construct is item 4, which is too different from the other three items in the construct. The items in the site aesthetics construct are as follows: 1. the screen design (i.e., colours, boxes, navigation bars, etc.) of luxury online stores is usually attractive; 2. the luxury online store normally looks expensive, sophisticated, and seamless; 3. The overall look and feel of the luxury online store is commonly visually appealing; 4. My decision to buy luxury goods online would depend upon luxury online store aesthetics.

To conclude, at the beginning of the study, there were 28 items in total. Following the exploratory factor analysis, three items were deleted, leaving 25 items. These 25 items were further confirmed using confirmatory factor analysis in the AMOS software.

4.5 STRUCTURAL EQUATION MODELLING

4.5.1 Confirmatory Factor Analysis

Maximum likelihood estimation was used to test the fitness of the measurement model (as depicted in Figure 4.1) in order to ensure that the model is fit for the next stage of structural equation modelling.

ChiSquare	439.603
df	257
Normed Chisquare	1.711
CFI	0.940
RMSEA	0.058

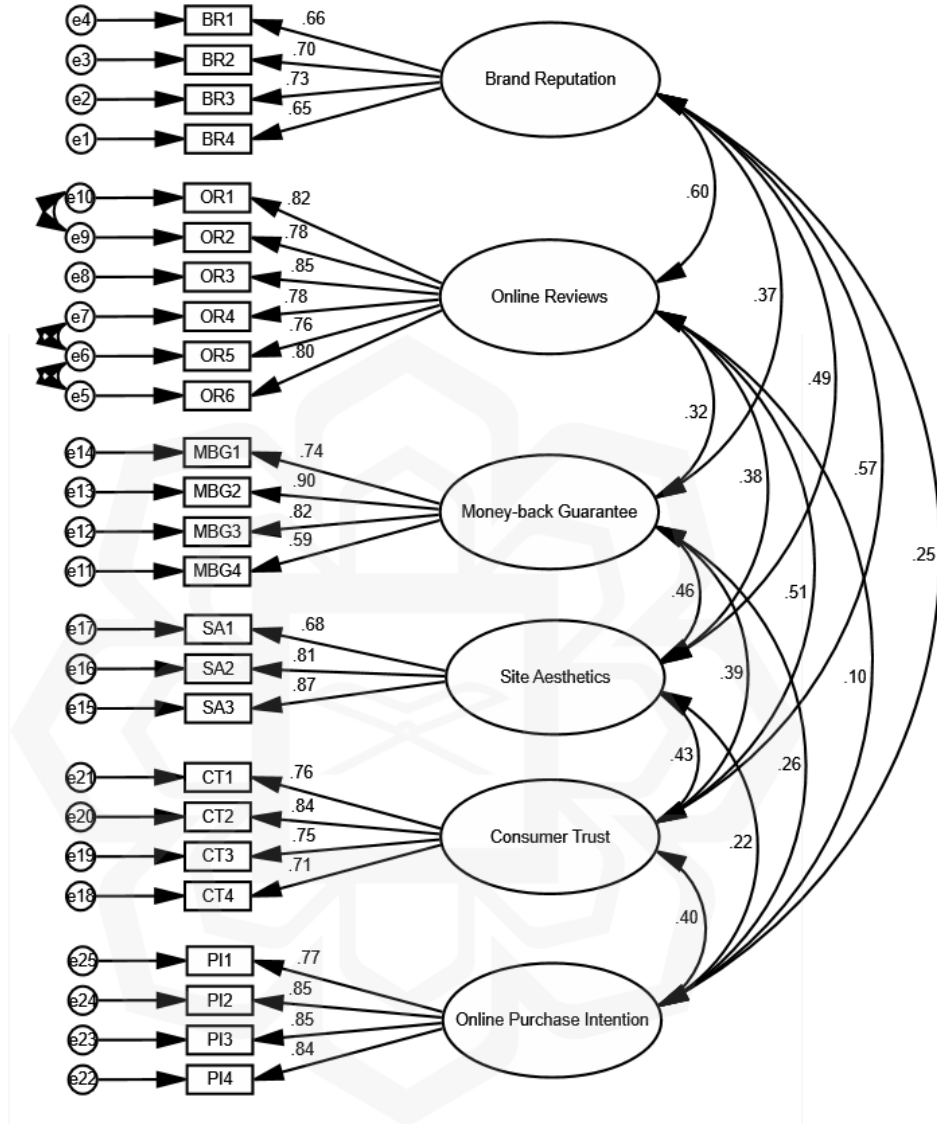


Figure 4.1 Confirmatory Factor Analysis

The measurement model's fitness was evaluated in this study utilising a few goodness of fit indices, which are categorised as absolute fit, incremental fit, and parsimonious fit. Absolute fit indices include the Normed Chi-Square (CMIN/DF), which is used to determine whether the results are statistically significant; the Goodness

of Fit Index (GFI), which indicates a perfect fit at a value of one; and the Root Mean Square Error of Approximation (RMSEA), which indicates an excellent value of less than 0.05 (MacCallum et al., 1996). In this study, the results of the absolute fit are (CMIN/DF = 1.711, GFI = 0.863, and RMSEA = 0.058). Following the threshold value suggested by scholars, except for the GFI value, both the CMIN/DF and RMSEA values meet the required level of goodness of fit. This study also uses incremental fit indices, which include Comparative Fit Index (CFI) and Adjusted Goodness of Fit (AGFI), as well as parsimonious fit indices such as Parsimony Normed Fixed Index (PNFI) and Parsimony Comparative Fix Index (PCFI). The results are (CFI = 0.940, AGFI = 0.827, PNFI = 0.744, and PCFI = 0.805), which all indicate good model fit. The details are provided in Table 4.8.

Table 4.8 Model Fit of Measurement Model

	Indices	Threshold Value	Resulted Value
Absolute Fit	CMIN/DF	≤ 3	1.711
	RMSEA	≤ 0.08 ; acceptable ≤ 0.05 ; excellent	0.058
	GFI	≥ 0.90 ; reasonable ≥ 0.95 ; excellent 1; perfect	0.863
Incremental Fit	CFI	≥ 0.90 1; perfect	0.940
	AGFI	≥ 0.80	0.827
Parsimonious Fit	PNFI	≥ 0.50	0.744
	PCFI	≥ 0.50	0.805

In addition, the standardised factor loading for each item in the construct was also tested using CFA. The results are shown in Table 4.9. Overall, all items have factor loadings that are greater than 0.50, which indicates a significant affinity between individual items and the respective factors.

Table 4.9 Standardized Factor Loading

Latent Variable	Items	Standardized Factor Loading
Brand Reputation	BR1	.66
	BR2	.70
	BR3	.73
	BR4	.65
Online Reviews	OR1	.82
	OR2	.78
	OR3	.85
	OR4	.78
	OR5	.80
	OR6	.76
Money-back guarantee	MBG1	.74
	MBG2	.90
	MBG3	.82
	MBG4	.59
Site Aesthetics	SA1	.68
	SA2	.81
	SA3	.87
Consumer Trust	CT1	.76
	CT2	.84
	CT3	.75
	CT4	.71
Purchase Intention	PI1	.77

	PI2	.85
	PI3	.85
	PI4	.84

4.5.2 Full Structural Model

In the second stage, structural equation modelling was performed on the full structural model. The results are depicted in Figure 4.2



ChiSquare 589.83
df 263
Normed Chisquare 2.242
CFI 0.893
RMSEA 0.076

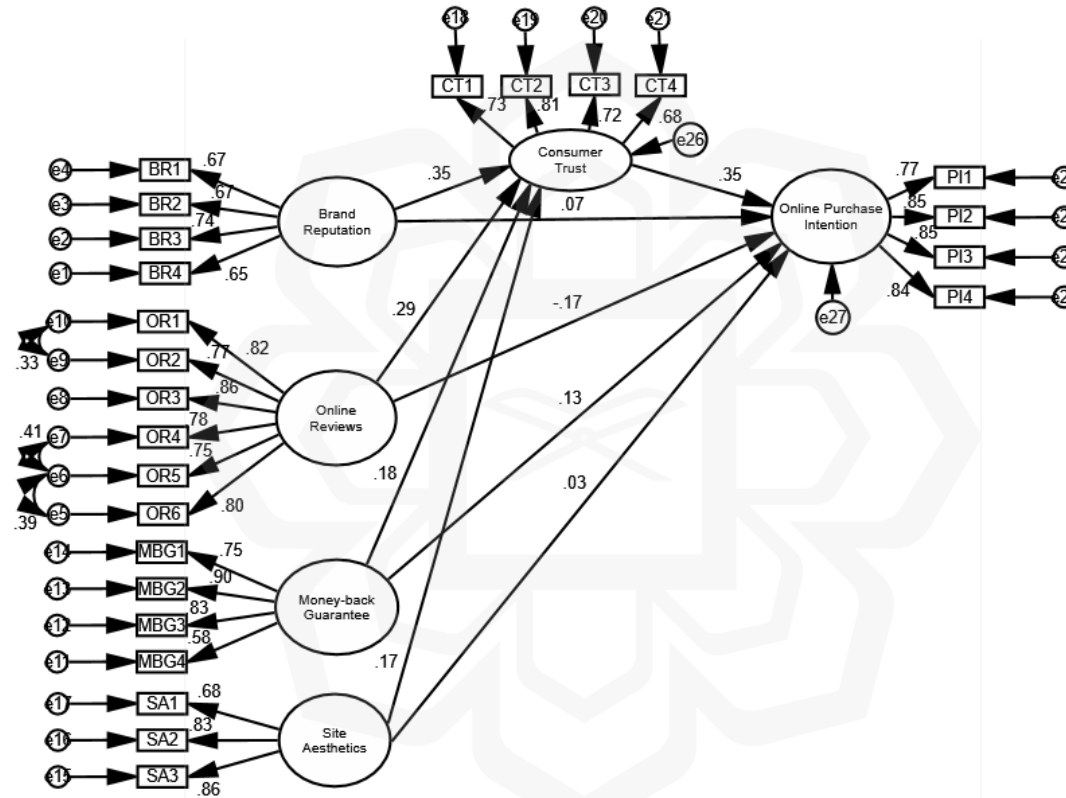


Figure 4.2 Full Structural Model

Similar to the measurement model in CFA, the model fit of the full structural model was also assessed using goodness of fit indices as indicated in Table 4.10. Overall, except for GFI and AGFI values, all other indices indicate a good model fit. The results are (CMIN/DF = 2.242, RMSEA = 0.076, GFI = 0.813, CFI = 0.893, AGFI = 0.769, PNFI = 0.722 and PCFI = 0.783).

Table 4.10 Model Fit of Full Structural Model

	Indices	Threshold Value	Resulted Value
Absolute Fit	CMIN/DF	≤ 3	2.242
	RMSEA	≤ 0.08 ; acceptable ≤ 0.05 ; excellent	0.076
	GFI	≥ 0.90 ; reasonable ≥ 0.95 ; excellent 1; perfect	0.813
Incremental Fit	CFI	≥ 0.90 1; perfect	0.893
	AGFI	≥ 0.80	0.769
Parsimonious Fit	PNFI	≥ 0.50	0.722
	PCFI	≥ 0.50	0.783

4.5.3 Hypotheses Testing

4.5.3.1 Part A (Direct Paths)

In this study, all direct paths were assessed based on regression weight outputs, which include the estimate or beta coefficient (β), critical ratio (CR), and p-value. Each independent factor generates an unstandardised and standardised beta coefficient that predicts whether each variable has a favourable or negative impact (Kamran & Siddiqui,

2019). Meanwhile, the p-value measures data significance at a 95% confidence interval. Furthermore, a critical ratio (CR) larger than 1.96 shows that a path is statistically significant at the 0.05 level. In sum, a path or hypothesis is significant if the CR is larger than 1.96 and the p-value is less than 0.05 (Hair et al., 1992), whereas the estimate value or beta coefficient value determines whether a path has a positive or negative impact.



Table 4.11 Hypotheses Testing Part A (Direct Paths)

Hypotheses	Structural Paths	Std. Regression Weights (β)	Estimates (β)	Standard Errors (SE)	Critical Ratios (CR)	p-values	Results
H1 (a)	BR+ \rightarrow CT	0.349	0.290	0.071	4.080	***	Hypothesis supported
H1 (b)	OR+ \rightarrow CT	0.289	0.210	0.055	3.838	***	Hypothesis supported
H1 (c)	MBG+ \rightarrow CT	0.184	0.136	0.055	2.502	0.012	Hypothesis supported
H1 (d)	SA+ \rightarrow CT	0.172	0.155	0.068	2.280	0.023	Hypothesis supported
H2	CT+ \rightarrow PI	0.352	0.452	0.124	3.644	***	Hypothesis supported
H3 (a)	BR+ \rightarrow PI	0.065	0.070	0.091	0.765	0.444	Hypothesis not supported
H3 (b)	OR+ \rightarrow PI	-0.173	-0.161	0.073	-2.223	0.026	Hypothesis not supported
H3 (c)	MBG+ \rightarrow PI	0.126	0.119	0.071	1.687	0.092	Hypothesis not supported
H3 (d)	SA+ \rightarrow PI	0.035	0.040	0.087	0.461	0.645	Hypothesis not supported

Notes.

- i. p-value ≤ 0.05 = significant relationship
- ii. *** indicates $p < 0.001$ = highly significant relationship
- iii. + \rightarrow = positively influence.)

Hypothesis 1 (a): Brand reputation will have a positive influence on consumer trust.

Testing H1 (a): The hypothesis testing conducted on H1 (a) has resulted in a positive standardised estimate value of 0.349, which indicates the positive influence of brand reputation on consumer trust. Furthermore, the crucial ratio displays a positive value larger than 1.96 at 4.080, indicating a significant path. Besides, the p value results in a highly significant value of less than 0.001. Hence, it can be concluded that brand reputation has a significant positive influence on consumer trust. Thus, H1(a) is supported.

Hypothesis 1 (b): Online reviews will have a positive influence on consumer trust.

Testing H1 (b): The hypothesis testing conducted on H1 (b) has resulted in a positive standardised estimate value of 0.289, which indicates the positive influence of online reviews on consumer trust. Furthermore, the crucial ratio displays a positive value larger than 1.96 at 3.838, indicating a significant path. Besides, the p value results in a highly significant value of less than 0.001. Hence, it can be concluded that online reviews have a significant positive influence on consumer trust. Thus, H1(b) is supported.

Hypothesis 1 (c): Money-back guarantee will have a positive influence on consumer trust.

Testing H1 (c): The hypothesis testing conducted on H1 (c) has resulted in a positive standardised estimate value of 0.184, which indicates the positive influence of money-back guarantee on consumer trust. Furthermore, the crucial ratio displays a positive value larger than 1.96 at 2.502, indicating a significant path. Besides, the p value results in a significant value of 0.012. Hence, it can be concluded that money-back guarantee have a significant positive influence on consumer trust. Thus, H1(c) is supported.

Hypothesis 1 (d): Site aesthetics will have a positive influence on consumer trust.

Testing H1 (d): The hypothesis testing conducted on H1 (d) has resulted in a positive standardised estimate value of 0.172, which indicates the positive influence of site

aesthetics on consumer trust. Furthermore, the crucial ratio displays a positive value larger than 1.96 at 2.280, indicating a non-significant path. Besides, the p value also results in a significant value of 0.023. Hence, it can be concluded that site aesthetics have a significant positive influence on consumer trust. Thus, H1(d) is supported.

Hypothesis 2: Consumer trust will have a positive influence on the online purchase intention of personal luxury goods.

Testing H2: The hypothesis testing conducted on H2 has resulted in a positive standardised estimate value of 0.352, which indicates the positive influence of consumer trust on the online purchase intention of personal luxury goods. Furthermore, the crucial ratio displays a positive value larger than 1.96 at 3.644, indicating a significant path. Besides, the p value results in a very significant value of less than 0.001. Hence, it can be concluded that consumer trust has a significant positive influence on the online purchase intention of personal luxury goods. Thus, H2 is supported.

Hypothesis 3 (a): Brand reputation will have a positive influence on the online purchase intention of personal luxury goods.

Testing H3 (a): The hypothesis testing conducted on H3 (a) has resulted in a positive standardised estimate value of 0.065, which indicates the positive influence of brand reputation on online purchase intention of personal luxury goods. However, the crucial ratio displays a positive value less than 1.96 at 0.765, indicating a non-significant path. Besides, the p value results in a non-significant value of 0.444, which is way more than 0.05. Hence, it can be concluded that brand reputation has a non-significant positive direct influence on the online purchase intention of personal luxury goods. Thus, H3 (a) is not supported.

Hypothesis 3 (b): Online reviews will have a positive influence on the online purchase intention of personal luxury goods.

Testing H3 (b): The hypothesis testing conducted on H3 (b) has resulted in a negative standardised estimate value of -0.173, which indicates the negative influence of online reviews on the online purchase intention of personal luxury goods. Moreover, the crucial ratio displays a negative value of -2.223, which is way less than 1.96, indicating a non-significant path. However, the p value results in a significant value of 0.026. Overall, it can be concluded that online reviews have a significant negative direct influence on the online purchase intention of personal luxury goods. Thus, H3 (b) is not supported.

Hypothesis 3 (c): Money-back guarantee will have a positive influence on the online purchase intention of personal luxury goods.

Testing H3 (c): The hypothesis testing conducted on H3 (c) has resulted in a positive standardised estimate value of 0.126, which indicates the positive influence of the money-back guarantee on the online purchase intention of personal luxury goods. However, the crucial ratio displays a positive value less than 1.96 at 1.687, indicating a non-significant path. Besides, the p value results in a non-significant value of 0.092, which is more than 0.05. Hence, it can be concluded that the money-back guarantee has a non-significant positive direct influence on the online purchase intention of personal luxury goods. Thus, H3 (c) is not supported.

Hypothesis 3 (d): Site aesthetics will have a positive influence on the online purchase intention of personal luxury goods.

Testing H3 (d): The hypothesis testing conducted on H3 (d) has resulted in a positive standardised estimate value of 0.035, which indicates the positive influence of site aesthetics on the online purchase intention of personal luxury goods. However, the crucial ratio displays a positive value less than 1.96 at 0.461, indicating a non-significant path. Besides, the p value results in a non-significant value of 0.645, which is way more than 0.05. Hence, it can be concluded that site aesthetics has a non-significant positive direct influence on the online purchase intention of personal luxury goods. Thus, H3 (d) is not supported.

4.5.3.2 Part B (Mediation Paths)

Aside from that, the bootstrapping method was employed to test the mediation effect in the model. As recommended by Collier (2020), a 5000 bootstrap sample was used, along with a bias-corrected confidence interval of 95. The analysis's output includes the indirect effects and confidence intervals with lower and upper bound values, as well as a two-tailed significance p-value that determines whether the model has a mediation effect and whether the mediation effect is full mediation or partial mediation. Generally, the lower and upper bound values are assessed based on the presence of a zero value in between the confidence intervals. If there is a zero present, in general, there is a non-significant indirect effect leading to no mediation (Sidhu et al., 2021; Preacher et al., 2007). According to scholars, if there is a presence of an indirect effect but no direct effect, it indicates full mediation, whereas if both direct and indirect effects are present, it indicates partial mediation (Sidhu et al., 2021; Preacher et al., 2007; Baron & Kenny, 1986).

Based on the results of the relationship between brand reputation, consumer trust, and purchase intention, it was found that there is no significant direct effect of brand reputation on purchase intention. Meanwhile, the indirect effect is present since there is no zero value in between the confidence intervals, and the effect is significant at a p-value less than 0.05. Since the direct effect is not significant while the indirect effect is, there is a full mediation effect of consumer trust on the relationship between brand reputation and purchase intention.

On the other hand, in the relationship between online reviews, consumer trust, and purchase intention, it was found that there is a significant direct effect of online reviews on purchase intention, although the beta-value is negative. Furthermore, the indirect effect is also present since there is no zero value in between the confidence intervals, and the effect is significant at a p-value less than 0.05. Since both the direct effect and indirect effect are significant, there is a partial mediation effect of consumer trust on the relationship between online reviews and purchase intention.

In the case of the relationship between money-back guarantees, consumer trust, and purchase intention, it was found that there is no significant direct effect of money-back guarantees on purchase intention. Meanwhile, the indirect effect is present since

there is no zero value in between the confidence intervals, and the effect is significant at a p-value less than 0.05. Since the direct effect is not significant while the indirect effect is significant, there is a full mediation effect of consumer trust on the relationship between money-back guarantee and purchase intention.

Similarly, in the relationship between site aesthetics, consumer trust, and purchase intention, it was found that there is no significant direct effect of site aesthetics on purchase intention. Meanwhile, the indirect effect is present since there is no zero value in between the confidence intervals, and the effect is significant at a p-value less than 0.05. Since the direct effect is not significant while the indirect effect is, there is a full mediation effect of consumer trust on the relationship between site aesthetics and purchase intention.

Overall, out of the four relationships, consumer trust fully mediates the relationship between brand reputation and purchase intention, money-back guarantee and purchase intention, as well as the relationship between site aesthetics and purchase intention. This means that even if a luxury brand or seller has a strong reputation, gives a money-back guarantee, and has highly professional website aesthetics, they must still work on creating consumer trust in order for them to make an online purchase. Meanwhile, consumer trust partially mediates the relationship between online reviews and purchase intention. This result suggests that people may or may not buy luxury goods online based only on online reviews. Table 4.12 summarises the results of the mediation analysis.

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Table 4.12 Hypotheses Testing Part B (Mediation Paths)

Hypotheses	Relationships	Std. Direct Effects (β)	<i>p</i> -values	Un-std. Indirect Effects (ab)	Confidence Interval		<i>p</i> -values	Std. Total Effects	Conclusions	Results
					Lower Bound (LB)	Upper Bound (UB)				
H4 (a)	BR → CT → PI	0.065 (BR → PI)	0.444	0.131	0.034	0.291	0.003	0.188	Full mediation	Hypotheses accepted
H4 (b)	OR → CT → PI	-0.173 (OR → PI)	0.026	0.095	0.026	0.223	0.003	-0.071	Partial mediation	Hypotheses accepted
H4 (c)	MBG → CT → PI	0.126 (MBG → PI)	0.092	0.062	0.008	0.163	0.022	0.191	Full mediation	Hypotheses accepted
H4 (d)	SA → CT → PI	0.035 (SA → PI)	0.645	0.070	0.001	0.187	0.048	0.095	Full mediation	Hypotheses accepted

Notes.

- i) If there is no zero in between LB & UB = significant indirect effect
- ii) p -value ≤ 0.05 = significant relationship
- iii) If indirect effect is significant & direct effect is not significant = full mediation
- iv) If both indirect & direct effect are significant = partial mediation

Std. = Standardized; *Un-std.* = Unstandardized

Hypothesis 4 (a): Consumer trust mediates the relationship between brand reputation and online purchase intention of personal luxury goods.

Testing H4 (a): The hypothesis testing conducted on H4 (a) has resulted in a positive and significant indirect effect at ($\beta = 0.131, p = 0.003$). Besides, since the direct effect of brand reputation on online purchase intention of personal luxury goods resulted in a non-significant value ($\beta = 0.065, p = 0.444$), this indicates a full mediation effect of consumer trust in the relationship between brand reputation and online purchase intention of personal luxury goods. Thus, H4 (a) is supported.

Hypothesis 4 (b): Consumer trust mediates the relationship between online reviews and online purchase intention of personal luxury goods.

Testing H4 (b): The hypothesis testing conducted on H4 (b) has resulted in a positive and significant indirect effect at ($\beta = 0.095, p = 0.003$). However, the direct effect of online reviews on online purchase intention of personal luxury goods resulted in a negative but significant value ($\beta = -0.173, p = 0.026$) which indicates a partial mediation effect of consumer trust in the relationship between online reviews and online purchase intention of personal luxury goods. Thus, H4 (b) is supported.

Hypothesis 4 (c): Consumer trust mediates the relationship between money-back guarantee and online purchase intention of personal luxury goods.

Testing H4 (c): The hypothesis testing conducted on H4 (c) has resulted in a positive and significant indirect effect at ($\beta = 0.062, p = 0.022$). Besides, since the direct effect of money-back guarantee on online purchase intention of personal luxury goods resulted in a non-significant value ($\beta = 0.126, p = 0.092$), this indicates a full mediation effect of consumer trust in the relationship between money-back guarantee and online purchase intention of personal luxury goods. Thus, H4 (c) is supported.

Hypothesis 4 (d): Consumer trust mediates the relationship between site aesthetics and online purchase intention of personal luxury goods.

Testing H4 (d): The hypothesis testing conducted on H4 (d) has resulted in a positive and significant indirect effect at ($\beta = 0.070$, $p = 0.048$). Besides, since the direct effect of site aesthetics on online purchase intention of personal luxury goods resulted in a non-significant value ($\beta = 0.035$, $p = 0.645$), this indicates that there is a full mediation effect of consumer trust in the relationship between site aesthetics and online purchase intention of personal luxury goods. Thus, H4 (d) is supported.

4.6 CHAPTER SUMMARY

In the beginning, there were a total of 261 respondents who attempted to participate in a study. However, only 226 respondents completed the study since the others do not meet the selection criteria. After data cleaning processes, 12 samples were detected as outliers and were removed from the database. In the end, a total of 214 samples were used for further data analysis.

The first test that was done onto the valid data was descriptive analysis where mean, median, standard deviation of each variable were analysed. Next, frequency analysis was performed to analyse demographic profile of the respondents were analysed. Overall, women account for the vast majority of responses with a percentage of 77.6%. Moreover, the biggest percentage of respondents (44.9%) were in the ages of 21 and 30. In addition, majority of the respondents are Malay which makes up 93% of the total respondents. Furthermore, respondents' monthly income also varies. The biggest percentage comes from individuals with a monthly salary of RM 5500 to RM 10,500, accounting for 33.6% of respondents. In addition, when asked of the types of personal luxury goods purchased online, shoes, bags, and other fashion items received the most votes from respondents, accounting for 38.3%. Meanwhile, 72.4 % respondents prefer not to purchase luxury goods directly from the luxury brand's official online shopping website or mobile app. Those who use a third-party online platform for luxury goods have the greatest percentage, accounting for 46.3% of all respondents.

Next, reliability analysis was conducted, and the outcomes range from 0.743 to 0.921 which indicates good to excellent internal consistency level among the items.

After that, the data go through exploratory factor analysis. The KMO value and the Bartlett's test are both significant at 0.863 and 0.000, respectively. Furthermore, in this study, an eigenvalue larger than one was employed as the basis for factor extraction. Based on the results of the analysis, six components have eigenvalues greater than one, resulting in a clear six-factor structure which account for 67.641% of the total variance. Besides, the Varimax orthogonal rotation approach was used to rotate the component matrix. The result shows that most of the items have factor loading of above 0.5. However, two items in the brand reputation factor were removed due to a cross-loading with another factor which is consumer trust and one item from site aesthetics factor was also removed since the factor loading is less than 0.5. In the beginning, there are 28 items in total. Following the exploratory factor analysis, three items were deleted, leaving 25 items.

Then, confirmatory factor analysis was conducted using AMOS software. The measurement fit model was assessed and based on the goodness of fit indices; the model is fit for the next stage of structural equation modeling. Besides, the factor loading of each item in the construct were also confirmed to have a value of greater than 0.5.

In the next stage of structural equation modelling, the model fitness of the full structural model was assessed, and the result also shows a good model fit. Aside from that, the bootstrapping method was employed to test the mediation effect in the model. 5000 bootstrap sample was used, along with a bias-corrected confidence interval of 95, as suggested by Collier (2020). Hypotheses were also tested based on the outcome from the structural equation modelling. The summary of the hypotheses are depicted in Table 4.13.

Table 4.13 Summary of Hypotheses

Hypotheses		Results	Conclusions
H1 (a)	BR+ → CT	Positive and significant	Hypothesis supported
H1 (b)	OR+ → CT	Positive and significant	Hypothesis supported
H1 (c)	MBG+ → CT	Positive and significant	Hypothesis supported
H1 (d)	SA+ → CT	Positive and significant	Hypothesis supported
H2	CT+ → PI	Positive and significant	Hypothesis supported
H3 (a)	BR+ → PI	Positive but not significant	Hypothesis not supported
H3 (b)	OR+ → PI	Negatively significant	Hypothesis not supported
H3 (c)	MBG+ → PI	Positive but not significant	Hypothesis not supported
H3 (d)	SA+ → PI	Positive but not significant	Hypothesis not supported
H4 (a)	BR+ → CT → PI	Full mediation	Hypothesis supported
H4 (b)	OR → CT → PI	Partial mediation	Hypothesis supported
H4 (c)	MBG → CT → PI	Full mediation	Hypothesis supported
H4 (d)	SA → CT → PI	Full mediation	Hypothesis supported

Figure 4.3 illustrates the flow of chapter four in this study.

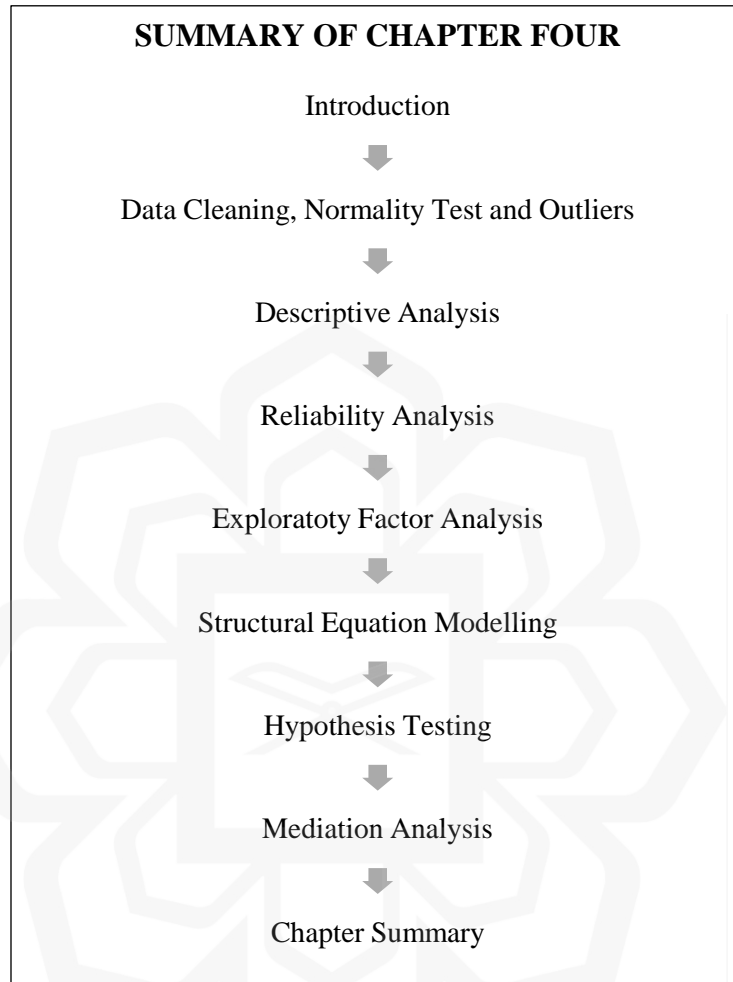


Figure 4.3 Chapter Four Summary

CHAPTER FIVE

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.0 INTRODUCTION

This chapter covers the overall conclusions of the study. The chapter begins with a quick overview of the respondents' backgrounds and a recap of research problems and major findings in the study, followed by a more in-depth explanation of the findings. Following that, the theoretical contribution of the study is presented. Then, the chapter analyses the study's limitations and provides some suggestions for future researchers in the same field of study. Furthermore, managerial and practical recommendations were discussed. At the end of this chapter, an overall conclusion is provided.

5.1 DISCUSSION ON FINDINGS

To interpret and discuss the findings of this study, it is necessary to first look at the summary of the respondents' backgrounds, which influence the data analysis results, as well as a recap of research problems to better comprehend the direction of the discussion. This study examined 214 valid pieces of data from the population of Malaysian consumers who purchase or intend to purchase personal luxury goods from official luxury brand websites and apps, third-party websites and platforms, and social commerce platforms.

Overall, 93% of respondents are Malay, and 77.6% are female. Besides, 66.3% of the respondents are between the ages of 21 and 40, while the other 33.7% are between the ages of 41 and 60. It is safe to interpret that young generations in Malaysia are more likely to purchase personal luxury goods online, and there is a small percentage of older people who are open to purchasing personal luxury goods online.

Furthermore, in terms of income, in total, 33.6% of respondents reported a monthly income of between RM 5500 and RM 10,500. Meanwhile, 23.8% of

respondents earn between RM 1500 and RM 3500 per month, 19.2% earn between RM 3500 and RM 5500 per month, 15% earn less than the Malaysian minimum wage of RM 1500, and 8.4% earn more than RM 10,500 per month. According to the Department of Statistics Malaysia (2023), in 2022, Malaysia's mean household income was RM8,479, while the national mean household disposable income, or income after taxes, was RM7111. Also, in terms of household disposable income, in 2022, 48.8% of Malaysians will earn below RM 5000, 34.6% will earn between RM 5000 and RM 9999, and 19.7% will earn RM 10,000 and above (Department of Statistics Malaysia, 2023). Besides, the average monthly household consumption expenditure increased from RM4,609 in 2019 to RM5,150 in 2022 (Department of Statistics Malaysia, 2023). In this study, the majority of respondents (33.6%) earn between RM 5500 and RM 10,500 each month. The statistics from Statista (2024) mention that the sale of the sale of luxury goods in Malaysia is driven by the affluent population. Based on the mean household income, this study concluded that for online purchases of personal luxury goods, the majority of the respondents ranged from those below the mean household income (RM 5,500) to those above the mean household income (RM 10,500). Those who are affluent (earn above RM 10,500) constitute only 8.4% of the total respondents.

In addition, the most common personal luxury items purchased online are shoes, bags, and fashion items (38.3%). This result confirms the data analysed by Statista (2023), which mentions luxury fashion as the largest luxury goods market segment in Malaysia. Moreover, 46.3% of respondents prefer third-party online platforms for luxury purchases, and only 27.6% prefer to purchase through a luxury brand's official website or mobile app.

However, the issue with purchasing luxury goods from third-party platforms is the authenticity of the luxury goods since there are many counterfeit luxury goods being sold online (Yu et al., 2018; Wu et al., 2013). Without certain marketing signals, it makes it harder for consumers to evaluate whether a certain website can be trusted or if the luxury goods to be purchased will be authentic. Moreover, due to asymmetric information issues, which arise when luxury retailers limit information sharing to preserve their luxury image (Yu et al., 2018; Kluge et al., 2013), consumers find it difficult to make decisions when buying luxury goods online. This issue is especially prevalent on the official websites of luxury goods, where there is frequently no online

reviews section incorporated, making it more difficult for consumers to make a purchase decision.

Previous research has suggested that signalling theory be used as a basis to explain how consumers make purchase decisions in the face of information asymmetry (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018). This idea, however, is insufficient to understand the issue of consumer trust. As a result, this study took a different path, combining the S-O-R Model with signalling theory to analyse the influence of marketing signals on consumer trust and online purchase intention for personal luxury goods. The S-O-R model provides a solid foundation for understanding the significant relationships between external forces, the internal state of the individual, and the final responses (Mehrabian & Russell, 1974). Meanwhile, signalling theory explains how sellers credibly convey information to consumers and is used to understand how consumers make purchase decisions when they have limited information as compared to marketers (Punyatoya, 2019; Ashfaq et al., 2018; Oghazi et al., 2018; Yu et al., 2018). In this study, the S-O-R Model serves as the foundation for placing consumer trust as a mediator, whereas signalling theory supports the use of marketing signals as independent variables. This approach addresses the issue of consumer trust and provides a more comprehensive understanding of how consumers make purchase decisions in the face of information asymmetry.

5.1.1 Research Objective 1 (a-d), Research Question 1 (a-d) and Hypothesis 1 (a-d)

RO 1: To investigate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on consumer trust.

RQ 1: Do (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics influence consumer trust to purchase luxury goods online?

In this study, brand reputation, online reviews, money-back guarantee, and site aesthetics have been selected as marketing signals to understand the problem of a lack

of consumer trust to purchase personal luxury goods online due to issues of authenticity, information asymmetry, and a lack of luxury experience. According to the findings, brand reputation, online reviews, money-back guarantees, and site aesthetics have a significant and positive influence on consumer trust. The findings indicate that all hypotheses 1 (a) through (d) are supported, and thus research objectives 1 (a) through 1 (d) are fulfilled and research questions 1 (a) to 1 (d) are answered. Further discussion in light of previous studies is provided in the following sub-sections.

5.1.1.1 Brand Reputation and Consumer Trust

This study investigates how consumers assess the reputation of a luxury goods brand based on trustworthiness, respect, genuine product claims, and commitment to quality. The results demonstrate a positive and significant influence of brand reputation on consumer trust. This finding is coherent with previous literature, which suggests brand reputation as a signal of product quality (Ren et al., 2021; Li et al., 2020; Falahat et al., 2019; Martín & Camarero, 2009) that is important in shaping attitudes and beliefs about a product (Seo et al., 2020). It also satisfies the claim made by scholars that a high level of brand reputation can form consumer trust and motivate behavioural intentions (Brady et al., 2008), which is especially important in online transactions (Falahat et al., 2019; Li et al., 2020). To sum up, brand reputation contributes to consumer trust and thus plays a crucial role in long-term connections between brands and consumers, as suggested by Ahmadi and Ataei (2022), Veloutsou and Moutinho (2009), and Chaudhuri (2002). Referring back to signalling theory, brand reputation can be regarded as one of the highly credible marketing signals that can be utilised by marketers to gain consumer trust, as the results of the study clearly prove the influence of brand reputation on consumer trust in purchasing personal luxury goods online.

5.1.1.2 Online Reviews and Consumer Trust

The results demonstrate that online reviews have a positive and significant influence on consumer trust when purchasing personal luxury goods online, which is consistent with other scholars' assertions (see Zhu et al., 2020; Chakraborty, 2019a; Huang et al., 2019; Chen & Chang, 2018) that consumers increasingly rely on online reviews for purchase decisions. Consumers evaluate whether a luxury product or a luxury seller is good, favourable, or satisfactory by reading the statements made by other consumers. The statements can be either positive or negative and can come from either potential, actual, or former consumers (Hennig-Thurau et al., 2004). According to scholars, those statements can influence up to 20–50% of online purchase decisions since they help reduce information uncertainty (Le & Ha, 2021; Thakur, 2018; Mathwick & Mosteller, 2016). Based on previous research, positive online reviews can boost purchase intention, while negative reviews can decrease it (Cheong et al., 2020; See-To & Ho, 2014; Chan & Ngai, 2011). The results of the study also strengthen the findings of other scholars (see Shin & Darpy, 2020; Xia Liu, 2013), who found that luxury consumers have higher trust in online reviews. Similar to brand reputation, online reviews can also be classified as one of the highly credible marketing signals that can be utilised by marketers to gain consumer trust, as the results of the study clearly demonstrate their influence.

5.1.1.3 Money-back Guarantee and Consumer Trust

Referring to signalling theory, a money-back guarantee (MBG) is a high-task signal that is perceived as more reliable by consumers but costly for marketers (Ren et al., 2021; Narwal & Nayak, 2020; Oghazi et al., 2018; Heiman et al., 2001). MBG is a consumer return policy that allows the consumer to return a purchased product for a full refund (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Davis et al., 1995). Scholars have studied the appropriateness of MBG implementation, suggesting that it should be carefully considered to benefit both marketers and consumers (see Huang et al., 2021; Ren et al., 2021; Wang, Chen, & Song, 2021; Li et al., 2018; Desmet, 2014; Luo, 2013; Suwelack et al., 2011). The result of this study demonstrates that MBG has a positive

and significant influence on consumer trust when purchasing personal luxury goods online. This result is consistent with a study by Oghazi et al. (2018), which found that MBG can promote trust between buyers and sellers, thereby enhancing consumers' purchase willingness, even for higher-priced products (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999).

5.1.1.4 Site Aesthetics and Consumer Trust

Site aesthetics, or website appearance (Peng et al., 2017), was also found to have a positive and significant influence on consumer trust. This result agrees with the notion that visually appealing online stores can increase website credibility (Oyibo & Vassileva, 2016) and enhance consumer trust (Li & Yeh, 2010; Cyr, Kindra, & Dash, 2008; Agarwal & Venkatesh, 2002; Karvonen, 2000). In this study, site aesthetics were represented by attractive screen design (i.e., colours, boxes, navigation bars, etc.), characteristics of the luxury online store (expensive, sophisticated, and seamless), and the overall look and feel of the luxury online store. An aesthetically designed website does influence consumer trust when purchasing personal luxury goods online since it is an important part of a luxury online store because it signals luxury identity (Okonkwo, 2010; Riley & Lacroix, 2003), improves consumer perception (Wu et al., 2013; Rosen & Purinton, 2004), draws consumers' attention (Ha & Lennon, 2011), improves user experience, and evokes positive emotion in consumers (Lee & Lin, 2005).

5.1.2 Research Objective 2, Research Question 2 and Hypothesis 2

RO 2: To investigate the influence of consumer trust on online purchase intention for personal luxury goods.

RQ 2: Does consumer trust influence the online purchase intention of personal luxury goods?

The study revealed that consumer online purchase intention for personal luxury goods is positively and significantly influenced by consumer trust. This result indicates that hypothesis two (H2) is supported, thus research objective 2 is fulfilled and research question 2 is answered. The finding is consistent with previous studies that positioned trust as a key factor in e-commerce research (Park & Kim, 2016) as it influences consumer purchasing intention (Ashraf et al., 2014; Hsu et al., 2013; Lin, 2011; Hassanein & Head, 2007). Scholars also stressed that trust minimises uncertainty (Zhu et al., 2020), and a lack of trust can lead to consumers abandoning shopping carts and withdrawing purchase intent during e-transactions (Sullivan & Kim, 2018). In the context of this study, consumers intend to purchase personal luxury goods online only if they trust the marketers to be dependable, competent, have high integrity, and are responsive to consumers.

5.1.3 Research Objective 3 (a-d), Research Question 3 (a-d) and Hypothesis 3 (a-d)

RO 3: To investigate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on online purchase intention of personal luxury goods.

RQ 3: Do (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics influence the online purchase intention of personal luxury goods?

The study also investigated the direct influence of four marketing signals (brand reputation, online reviews, money-back guarantee, and site aesthetics) on the online purchase intention of personal luxury goods. According to the study, all four independent factors had insignificant direct relationships with the online purchase intention of personal luxury goods. The result indicates that hypotheses 3 (a) through (d) are not supported, thus research objectives 3 (a) through 3 (d) are fulfilled and research questions 3 (a) to 3 (d) are answered. These findings demonstrated that even if a luxury brand or retailer has a high reputation, provides an online reviews section on

its website, gives money-back guarantee service, and has a great site aesthetic, people would not purchase its products online unless they had trust. The results re-emphasise that signalling theory alone is insufficient to explain the influence of marketing signals on consumer online purchase intentions for personal luxury goods. Thus, the integration of signalling theory into the S-O-R model in this study provides a novel approach to understanding consumers' online purchase intentions for personal luxury goods. Further discussion in light of previous studies is provided in the following sub-sections.

5.1.3.1 Brand Reputation and Purchase Intention

Previous research has found strong links between brand reputation and purchase intentions (Seo et al., 2020; Tong & Su, 2018; Fang et al., 2014; Gounaris & Stathakopoulos, 2004). Meanwhile, the result of this study shows that brand reputation has a positive but non-significant influence on the online purchase intention of personal luxury goods. The result indicates the possibility of an increase in online purchase intention for personal luxury goods due to brand reputation. However, the non-significant aspect could be due to the complex decision-making process involved in purchasing expensive luxury goods online, since consumers are exposed to many risks. Therefore, they might need more than just brand reputation to convince them to purchase personal luxury goods online. This is where consumer trust plays a role. The result from the mediation analysis demonstrates that brand reputation can encourage purchase intention if mediated through consumer trust. The result means that to encourage purchase intention, marketers need to focus on building trust while maintaining a good brand reputation, as having a good reputation alone cannot convert fans or visitors into buyers.

5.1.3.2 Online Reviews and Purchase Intention

According to past studies, online reviews are the primary source of information for consumers in making an online purchase decision (Zhu et al., 2020), thus having a

significant impact on online purchase intention (Cheong et al., 2020; Erkan & Evans, 2016; Zhao et al., 2015), including luxury goods (Sharma et al., 2021). Scholars believe that the purchase intention of a luxury brand is positively related to social influence (Hung et al., 2011), especially in Asian societies where the bandwagon effect is still prominent (Rehman et al., 2022; Kapferer & Valette-Florence, 2018; Tsai et al., 2013). However, in this study, the results show a significant but negative influence of online reviews on the online purchase intention of personal luxury goods. The result literally means that an increase in online reviews can decrease online purchase intention for personal luxury goods. The possible explanation might be due to the nature of luxury goods, which are typically expensive; hence, consumers might be more cautious about relying solely on online reviews to make online purchases. This suggests that marketers need to ensure the credibility of online reviews to encourage purchase intention, which implies the need to build trust in order for online reviews to take effect on purchase intention.

5.1.3.3 Money-back Guarantee and Purchase Intention

Previous studies argued that a full refund policy such as a money-back guarantee (MBG) resulted in an increase in purchase intention (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Wood, 2001; Davis et al., 1995) since it signals high service quality (Zhang et al., 2017), reduces consumers' perception of risk, and stimulates emotional response (Oghazi et al., 2018; Jeng, 2017; Chen & Chen, 2015; Suwelack et al., 2011). In this study, the result shows a positive but non-significant influence of MBG on the online purchase intention of personal luxury goods. The result means that there could be an increase in the online purchase intention of personal luxury goods if the marketers offer a good MBG policy. However, the lack of statistical significance indicates that this relationship is not strong enough to confidently conclude that the effect is different from zero. This could be due to the sample size factor or the variability of the responses, which results in a wider confidence interval. On the other hand, the result demonstrates that a money-back guarantee can encourage purchase intention if mediated through consumer trust. This implies that trust is crucially needed to

strengthen the effectiveness of MBG on the online purchase intention of personal luxury goods.

5.1.3.4 Site Aesthetics and Purchase Intention

Recent studies have shown that there is a positive association between website aesthetics and purchase intention (Alcaraz et al., 2022; Ling et al., 2021; Shukla et al., 2021; Xu & Schrier, 2019). It was argued that luxury businesses should produce aesthetically attractive web design because the high visual appeal of the e-boutique would help in converting visitors into buyers (Jain, 2021). However, the result of this study shows that site aesthetics has a positive but non-significant influence on consumers' online purchase intentions for personal luxury goods.

5.1.4 Research Objective 4 (a-d), Research Question 4 (a-d) and Hypothesis 4 (a-d)

RO 4: To investigate the role of consumer trust in mediating the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee, and (d) site aesthetics on online purchase intention of personal luxury goods.

RQ 4: Does consumer trust mediate the influence of (a) brand reputation, (b) online reviews, (c) money-back guarantee and (d) site aesthetics on the online purchase intention of personal luxury goods?

In the mediation analysis, the results show that consumer trust fully mediates the influence of brand reputation, money-back guarantee, and site aesthetics on online purchase intention, while it partially mediates the influence of online reviews. The findings indicate that hypotheses 4 (a) through (d) are supported, thus research objectives 4 (a) through 4 (d) are fulfilled and research questions 4 (a) to 4 (d) are answered. These findings support the S-O-R theory, which suggests that an organism's

internal state, which influences external factors, controls the outcome of a behavior. In the context of the study, consumer trust mediates the influence of marketing signals on the online purchase intention of personal luxury goods. Further discussion in light of previous studies is provided in the following sub-sections.

5.1.4.1 Brand Reputation, Consumer Trust and Purchase Intention

The investigation of the direct effect of brand reputation on purchase intention shows that brand reputation has no significant influence on purchase intention. When the indirect effect was investigated using mediation analysis with consumer trust as the mediator, the results revealed that consumer trust had a full mediation effect on the relationship between brand reputation and purchase intention. This result highlights the crucial importance of trust in ensuring the effectiveness of brand reputation in enhancing Malaysian consumers' online purchase intentions for personal luxury goods. The outcome of the analysis supports the findings from previous studies, which mentioned that a high level of brand reputation can form consumer trust and motivate purchase intentions (Seo et al., 2020; Tong & Su, 2018; Fang et al., 2014; Brady et al., 2008; Gounaris & Stathakopoulos, 2004), which is especially important in online transactions (Falahat et al., 2019; Li et al., 2020).

5.1.4.2 Online Reviews, Consumer Trust and Purchase Intention

In this study, it was found that online reviews have a significant negative relationship with purchase intention, indicating that a higher number of online reviews leads to a lower online purchase intention of personal luxury goods among Malaysian consumers. Upon introducing the mediator, consumer trust, the result shows a significant indirect effect, suggesting that consumer trust partially mediates the online review-purchase intention relationship. The results indicate that a portion of the negative impact of online reviews on purchase intention was explained by the mediating role of consumer trust. This finding suggests that while consumer trust accounts for some of the relationship between online reviews and purchase intention, other factors may also contribute to the

observed direct effect. The results support the arguments by scholars who mentioned that online reviews can influence up to 20–50% of online purchase decisions since they help reduce information uncertainty (Le & Ha, 2021; Thakur, 2018; Mathwick & Mosteller, 2016). Besides, scholars also mentioned that positive online reviews can boost purchase intention, while negative reviews can decrease it (Cheong et al., 2020; See-To & Ho, 2014; Chan & Ngai, 2011).

5.1.4.3 Money-back Guarantee, Consumer Trust and Purchase Intention

The result of the analysis of the direct effect of money-back guarantee on purchase intention demonstrates that money-back guarantee have no substantial influence on purchase intention. However, when the indirect effect was examined using mediation analysis with consumer trust as the mediator, the results revealed that consumer trust has a full mediation effect on the relationship between money-back guarantee and purchase intention. This finding emphasises the critical role of trust in ensuring the efficiency of money-back guarantees in increasing online purchase intentions of personal luxury goods among Malaysian consumers. This result supports the claims by scholars who argued that money-back guarantee can promote trust between buyers and sellers (Oghazi et al., 2018), thereby increasing consumers' purchase intentions (Yang et al., 2021; Zhang et al., 2017; McWilliams, 2012; Wood, 2001; Davis et al., 1995) for higher-priced products (Luo, 2013; Suwelack et al., 2011; De Groot et al., 2009; Fruchter & Gerstner, 1999).

5.1.4.4 Site Aesthetics, Consumer Trust and Purchase Intention

In the analysis of the direct effect of site aesthetics on purchase intention, the result shows no significant influence of site aesthetics on purchase intention. However, when the indirect effect was analysed through mediation analysis with consumer trust as the mediator, the results showed a full mediation effect of consumer trust on the relationship between site aesthetics and purchase intention. This result highlights the crucial role of

trust in ensuring the effectiveness of site aesthetics to increase the online purchase intention of personal luxury goods among consumers in Malaysia. The result is in line with the claims by scholars who mentioned that visually appealing online stores can enhance consumer trust (Li & Yeh, 2010; Cyr, Kindra, & Dash, 2008; Agarwal & Venkatesh, 2002; Karvonen, 2000) because they signal luxury identity (Okonkwo, 2010; Riley & Lacroix, 2003) and increase website credibility (Oyibo & Vassileva, 2016), thus enabling the conversion of visitors to buyers through the high visual appeal of the luxury e-boutique (Jain, 2021) and creating a positive association between website aesthetics and purchase intention (Alcaraz et al., 2022; Ling et al., 2021; Shukla et al., 2021; Xu & Schrier, 2019).

5.2 THEORETICAL CONTRIBUTION

From a theoretical standpoint, the study has contributed to the development of a research model that explains the factors that influence consumer trust to purchase personal luxury goods online. The study has taken a novel approach by integrating the signalling theory into the S-O-R model. This approach is taken to comprehend how consumers decide to purchase personal luxury goods online when luxury marketers control access to information, there is uncertainty about the authenticity of luxury goods being sold online, and there is a lack of luxury experience online. This model explains how consumers decide to purchase personal luxury goods online by relying on marketing signals provided by the marketers. These marketing signals had been selected based on signalling theory to understand the problem of a lack of consumer trust to purchase personal luxury goods online due to issues of authenticity, information asymmetry, and a lack of luxury experience. Besides, the model also describes whether the effect of marketing signals, namely brand reputation, online reviews, money-back guarantee, and site aesthetics, on the online purchase intention of personal luxury goods is influenced by consumer trust. Consumer trust is analysed as a mediator based on the S-O-R model. Furthermore, the model demonstrates good model fit according to SEM goodness of fit indices (CMIN/DF = 2.242, RMSEA = 0.076, GFI = 0.813, CFI = 0.893, AGFI = 0.769, PNFI = 0.722, and PCFI = 0.783). In summary, the integration of the S-O-R model and signalling theory provides a comprehensive and flexible approach to

studying marketing signals influencing consumer trust in online luxury goods purchases. This combination allows for the investigation of both cognitive (marketing signals) and emotional processes (trust). This study has provided an analysis of how specific signals convey information to build and enhance consumer trust in the luxury goods market.

The results of the study show that brand reputation, online reviews, money-back guarantees, and site aesthetics have a significant influence on consumer trust. On the contrary, it was revealed that all four marketing signals analysed in the study have no direct influence on consumers' online purchase intentions for personal luxury goods. However, when mediated by consumer trust, the results show that brand reputation, online reviews, money-back guarantee, and site aesthetics do influence consumers' online purchase intentions for personal luxury goods. This gives a new understanding that, without consumer trust, marketing signals will have no effect on consumers' online purchase intentions for personal luxury goods. Overall, in this study, hypotheses 1 (a-d), hypothesis 2 (H2), and hypotheses 4 (a-d) are supported, while hypotheses 3 (a-d) are not. To conclude, Table 5.1 summarises the study's key findings for each research objective and research question, while Figure 5.1 illustrates the theoretical contribution of the study.

Table 5.1 Summary of Key Findings

	Research Objectives	Research Questions	Hypotheses	Results	Conclusion
1.	To investigate the influence of a) brand reputation, b) online reviews, c) money-back guarantee, and d) site aesthetics on consumer trust.	Do a) brand reputation, b) online reviews, c) money-back guarantee, and d) site aesthetics influence consumer trust to purchase luxury goods online?	<p>H1 (a): Brand reputation will have a positive influence on consumer trust.</p> <p>H1 (b): Money-back guarantee will have a positive influence on consumer trust.</p> <p>H1 (c): Online reviews will have a positive influence on consumer trust.</p> <p>H1 (d): Site Aesthetics will have a positive influence on consumer trust.</p>	<p>Positive and significant relationship. Hypothesis is supported.</p> <p>Positive and significant relationship. Hypothesis is supported.</p> <p>Positive and significant relationship. Hypothesis is supported.</p> <p>Positive and significant relationship. Hypothesis is supported.</p>	All four independent factors have a significant positive influence on consumer trust.
2.	To investigate the influence of consumer trust on online purchase intention for personal luxury goods.	Does consumer trust influence the online purchase intention of personal luxury goods?	H2: Consumer trust will have a positive influence on	Positive and highly significant relationship.	Consumer trust has a highly significant positive influence on online purchase intention of personal luxury goods.

			online purchase intention of personal luxury goods.	Hypothesis is supported.	
3.	To investigate the influence of a) brand reputation, b) online reviews, c) money-back guarantee, and d) site aesthetics on online purchase intention of personal luxury goods.	Do a) brand reputation, b) online reviews, c) money-back guarantee, and d) site aesthetics influence the online purchase intention of personal luxury goods?	<p>H3 (a): Brand reputation will have a positive influence on online purchase intention of personal luxury goods.</p> <p>H3 (b): Online reviews will have a positive influence on online purchase intention of personal luxury goods.</p> <p>H3 (c): Money-back guarantee will have a positive influence on online purchase intention of personal luxury goods.</p> <p>H3 (d): Site Aesthetics will have a positive influence on online purchase intention of personal luxury goods.</p>	<p>Positive but not significant relationship. Hypothesis is not supported.</p> <p>Negatively significant relationship. Hypothesis is not supported.</p> <p>Positive but not significant relationship. Hypothesis is not supported.</p> <p>Positive but not significant relationship. Hypothesis is not supported.</p>	All four independent factors had insignificant direct relationships with online purchase intention of personal luxury goods.

4.	To investigate the role of consumer trust in mediating the influence of a) brand reputation, b) online reviews, c) money-back guarantee, and d) site aesthetics on online purchase intention of personal luxury goods.	Does consumer trust mediate the influence of a) brand reputation, b) online reviews, c) money-back guarantee and d) site aesthetics on the online purchase intention of personal luxury goods?	H4 (a): Consumer trust mediates the relationship between brand reputation and online purchase intention of personal luxury goods.	Full mediation. Hypothesis is supported.	Consumer trust fully mediates the influence of brand reputation, money-back guarantee and site aesthetics on online purchase intention and partially mediates the influence of online reviews.
			H4 (b): Consumer trust mediates the relationship between online reviews and online purchase intention of personal luxury goods.	Partial mediation. Hypothesis is supported.	
			H4 (c): Consumer trust mediates the relationship between money-back guarantee and online purchase intention of personal luxury goods.	Full mediation. Hypothesis is supported.	
			H4 (d): Consumer trust mediates the relationship between site aesthetics and online purchase intention of personal luxury goods.	Full mediation. Hypothesis is supported.	

Consumer trust mediates the influence of marketing signals on purchase intention as such:

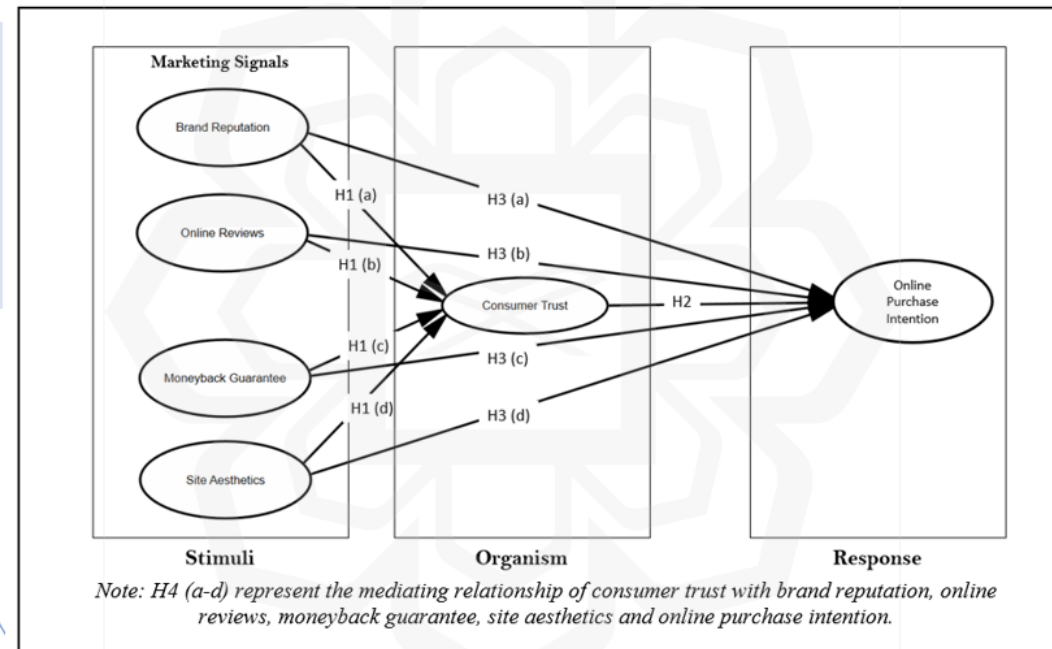
- Full mediation (brand reputation, money-back guarantee, site aesthetics)
- Partial mediation (online reviews)

Marketing signals selected based on Signaling Theory to understand the problem of lack of consumer trust to purchase personal luxury goods online due to these issues:

- Doubt of authenticity,
- Information asymmetry
- Lack of luxury experience

Integration of Signaling Theory into S-O-R Model:

- Comprehensive approach: cognitive (marketing signals) & emotion (trust)



Consumer's online purchase intention of personal luxury goods is significantly influenced by consumer trust. Without trust, marketing signals have no significant influence on purchase intention.

S-O-R Framework in the context of the study:

- Stimuli = marketing signals
- Organism internal response = consumer trust
- Organism external response = consumer's online purchase intention of personal luxury goods

Figure 5.1 Theoretical Contribution of the Study

5.3 LIMITATION OF THE STUDY

After completing the study, a few limitations were identified. First of all, the study only managed to collect 226 data points, of which only 214 are usable since 12 were identified as outliers. Besides, in this study, the majority of the respondents are young Malay women between the ages of 21 and 40. Therefore, the results may not be applicable when targeting different groups of consumers who purchase luxury goods online in Malaysia.

Furthermore, while the findings of this study suggest that online reviews can influence consumer trust in purchasing personal luxury products online, the study did not include the characteristics of online reviews that consumers deem credible. The author feels that it is important to study the credibility of online reviews since the result of this study shows a negative relation between online reviews and online purchase intention for personal luxury goods. Besides, while consumer trust was found to fully mediate the influence of other marketing signals investigated in the study, it was found to partially mediate the influence of online reviews on online purchase intention. Thus, it seems crucial to study the credibility of online reviews.

Moreover, in this study, the site aesthetics variable has been chosen as the marketing signal to understand the issue of a lack of luxury experience online. However, there may be a better variable that can be used to measure the luxury experience and address the issue.

5.4 RECOMMENDATION

In this section, recommendations were discussed based on two categories: recommendations for future research and recommendations from managerial and practical standpoints.

5.4.1 RECOMMENDATION FOR FUTURE RESEARCH

Based on the limitations of this study, few considerations can be made for future research in the same area. First of all, future studies may consider validating the model in the study by conducting a qualitative study. Besides, if future research is interested in quantitative studies, the model in the study can be validated by trying it on a larger sample size to see if the sample size will affect the effectiveness of the model. In addition, future studies can also look into the role of consumers' perceptions or consumers' prior knowledge regarding the online purchase of personal luxury goods.

Furthermore, future studies can fill the gap by exploring the qualities of reliable online reviews from the perspective of consumers, and a qualitative study may be a better approach for such research. If further studies can shed light on the credibility of online reviews in purchasing luxury goods online, it would be a great addition to the knowledge in the area and can serve as better guidelines for consumers in making purchase decisions.

Moreover, future research can explore other marketing signals that can enhance the online luxury experience for consumers, such as personalisation (Husain, Paul, & Koles, 2022), “phygital, artificial intelligence, virtual reality, augmented reality, influencer advertising, and non-fungible tokens (NFTs)” (Pangarkar & Shukla, 2023, p. 1145) as well as gamification (Jain, Mishra, & Saxena, 2023).

5.4.2 MANAGERIAL AND PRACTICAL RECOMMENDATION

From a managerial and practical standpoint, this study provides significant insights for all luxury marketers, especially local businesses that sell luxury goods, to develop effective marketing strategies to build a profitable consumer relationship. The study found that trust is an essential component that can influence consumers' online purchase intentions for personal luxury goods. To build trust, marketers need to build a strong brand reputation and gain the respect of consumers by acting in a trustworthy manner, which includes practicing transparency by making truthful product promises and ensuring a commitment to quality. Furthermore, marketers should also consider

providing online reviews in their online stores because it has been discovered that it can influence consumer trust. Alternatively, marketers can also collaborate with influencers or other third parties that have high authority to review their products or services.

Moreover, marketers, especially new independent local businesses that sell luxury goods, might want to consider implementing money-back guarantee (MBG) services that are credible, reliable, easy to claim, and have a reasonable claim duration in order to instill trust among consumers to purchase their luxury goods online. MBG is a consumer return policy that allows the consumer to return a purchased product for a full refund. This type of service has been proven in the study to promote consumer trust when deciding to purchase personal luxury goods online. Besides, luxury marketers must also focus on maintaining their unique luxury identity by designing a visually appealing online platform, as it can also influence consumer trust to purchase personal luxury goods online.

Also, from the social responsibility lens, this study aims to assist consumers in making informed purchase decisions to avoid being the victim of irresponsible sellers by evaluating the trustworthiness of sellers, reading online reviews, and ensuring that the sellers offer a good return policy, such as MBG, and have a professionally designed online platform. Moreover, policymakers and regulatory bodies can review the findings from this study in order to amend regulations related to consumer protection, advertising regulations, or market competition that can safeguard consumers' rights in Malaysia and guarantee that businesses abide by these policies. Furthermore, by educating consumers on how to make informed purchase decisions and by informing the authorities on areas to enhance consumer protection in online purchase settings, this study contributes to Maqasid Al-Shariah by protecting the wealth of consumers. Basically in Islam, Maqasid Al-Shariah is meant to protect five essential elements of human's life which are faith, life, progeny, property and sanity "to facilitate moral and spiritual growth while also protecting the basic interests of man to ensure a better quality of life" (Parrey, 2022, p. 109). Moreover, in Islam, "*masalih* (good and the sources of good) are categorised into three categories: *darurat* (essentials), *hajjiyyat* (complimentary), and *tahsiniyyat* (embellishments)" (Parrey, 2022, p. 109) where luxury goods are considered one of the *tahsiniyyat*. According to scholars, although there is no specific mention of the term consumer protection (Khan, 2016), Islam has always emphasized on protecting

consumer right whereby rules regarding “prohibitions of malpractice” (Ayob, 2017, p. 3) involving trading are prescribed in Islam through Al-Quran and Hadith.

Additionally, this study reveals that the majority of consumers who purchase personal luxury goods online in Malaysia are young women between the ages of 21 and 40. They prefer to purchase luxury shoes, bags, and fashion items through a third-party online platform. Furthermore, a market research agency named Statista (2023) indicates that Malaysia's luxury fashion market category is the biggest in the country. Additionally, a compound annual growth rate (CAGR) of 3.80% is predicted for the luxury goods market in Malaysia from 2023 to 2028. Investors may use this knowledge to choose a new company venture or to reconsider an existing one in a more lucrative area. This knowledge can also be used by marketers to do repositioning and resegmentation of their luxury goods. Table 5.2 summarises the recommendations in the study.

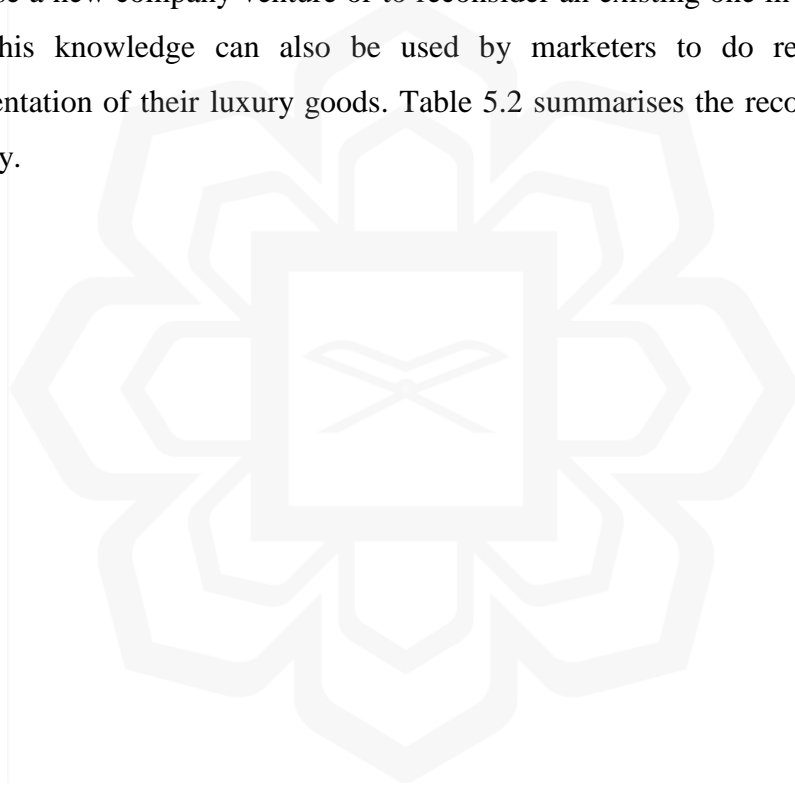


Table 5.2 Summary of Recommendations

Perspectives	Findings	Recommendations
Theoretical	<ol style="list-style-type: none"> 1. The study only managed to collect 226 data in which only 214 are usable. The majority of the respondents are young Malay women between the ages of 21 and 40. The results may not be applicable when targeting different groups of consumers who purchase luxury goods online in Malaysia. 2. While the findings of this study suggest that online reviews can influence consumer trust in purchasing personal luxury products online, the study did not include the characteristics of online reviews that consumers deem credible. 3. The site aesthetics variable has been chosen as the marketing signal to understand the issue of a lack of luxury experiences online. However, there may be a better variable that can be used to measure the luxury experience and address the issue. 	<ol style="list-style-type: none"> 1. Future studies may consider validating the model in the study by conducting a qualitative study. If future research is interested in quantitative study, the model can be validated by trying it on a larger sample size to see if the sample size will affect the effectiveness of the model. <p>Additional:</p> <ul style="list-style-type: none"> • Future studies can look into the role of consumers' perceptions or consumers' prior knowledge regarding the online purchasing of personal luxury goods. <ol style="list-style-type: none"> 2. Future studies can fill the gap by exploring the qualities of reliable online reviews from the perspective of consumers in which a qualitative study may be a better approach for such research. 3. Future research can explore other marketing signals that can enhance the online luxury experience for consumers such as personalisation (Husain et al., 2022), "phygital, artificial intelligence, virtual reality, augmented reality, influencer advertising, and non-

		<p>fungible tokens (NFTs)” (Pangarkar & Shukla, 2023, p. 1145) as well as gamification (Jain et al., 2023).</p>
<p>Practical</p>	<p>Trust is an essential component that can influence consumers’ online purchase intention of personal luxury goods.</p>	<ul style="list-style-type: none"> • To build trust, marketers need to build a strong brand reputation and gain the respect of consumers by acting in a trustworthy manner, which includes practicing transparency by making truthful product promises and assuring a commitment to quality. • Marketers should also consider providing online reviews on their online stores because it has been discovered that it can influence consumer trust. • Marketers can also collaborate with influencers or other third parties that have high authority to review their products or services.

		<ul style="list-style-type: none"> • Marketers, especially new independent local businesses that sell luxury goods, might want to consider implementing money-back guarantee (MBG) services that are credible, reliable, easy to claim, and have a reasonable claim duration in order to instill trust among consumers to purchase their luxury goods online. • Marketers must also focus on maintaining their unique luxury identity by designing a visually appealing online platform, as it can also influence consumer trust to purchase personal luxury goods online.
Managerial	<ul style="list-style-type: none"> • Majority of the consumers who purchase personal luxury goods online in Malaysia are young women in the age between 21 and 40. • Most preferred items to buy online are luxury shoes, bags, and fashion items. • Third-party online platform is the most preferred online platform to purchase personal luxury goods. • Malaysia's luxury fashion market category is the biggest in the country. A compound annual growth rate (CAGR) of 3.80% is predicted for the luxury goods market in Malaysia from 2023 to 2028. 	<ul style="list-style-type: none"> • Investors may use this knowledge to choose a new company venture or to reconsider an existing one in a more lucrative area. • This knowledge can also be used by marketers to do repositioning and resegmentation of their luxury goods.

Policy Makers	Brand reputation, online reviews, money-back guarantee and site aesthetics significantly influence consumer trust to purchase personal luxury goods online.	<ul style="list-style-type: none"> • Policymakers and regulatory bodies can review the findings from this study in order to amend regulations related to consumer protection, advertising regulations, or market competition that can safeguard consumers' rights in Malaysia and guarantee that businesses abide by these policies. By educating consumers on how to make informed purchase decisions and by informing the authorities on areas to enhance consumer protection in online purchase settings, this study contributes to Maqasid Al-Shariah by protecting the wealth of consumers.
Social Responsibility/Islamic Perspective	<ul style="list-style-type: none"> • From the social responsibility lens, this study aims to assist consumers in making informed purchase decisions to avoid being the victim of irresponsible sellers by evaluating the trustworthiness of sellers, reading online reviews, and ensuring that the sellers offer a good return policy, such as MBG, and have a professionally designed online platform. • By educating consumers on how to make informed purchase decisions and by informing the authorities on areas to enhance consumer protection in online purchase settings, this study contributes to Maqasid Al-Shariah by protecting the wealth of consumers. 	

5.5 CONCLUSION

This study investigated how consumers make purchase decisions in situations where information is limited, product legitimacy is ambiguous, and there is a lack of luxury experience online. The model developed in the study is based on the integration of two theories, namely the S-O-R model and the signalling theory. This model was developed to analyse the influence of four marketing signals, which are brand reputation, online reviews, money-back guarantee, and site aesthetics, on consumer trust and online purchase intention for personal luxury goods. The integration of the two theories has allowed for the investigation of both cognitive (marketing signals) and emotional (trust) aspects of consumers' purchase intention of personal luxury goods online.

The results from the study demonstrate that all four marketing signals were found to significantly influence consumer trust to purchase personal luxury goods online. However, all four marketing signals did not directly influence the online purchase intention of personal luxury goods. Furthermore, consumer trust was also found to fully mediate the influence of brand reputation, money-back guarantee, and site aesthetics on purchase intention, while it partially mediates the influence of online reviews on purchase intention. Based on the results, it can be concluded that in order to encourage online purchase intention of personal luxury goods, marketers must focus on building consumer trust, and this can be done by implementing all four marketing signals discussed in the study, which are brand reputation, online reviews, money-back guarantee, and site aesthetics. Figure 5.2 depicts the summary of this chapter.

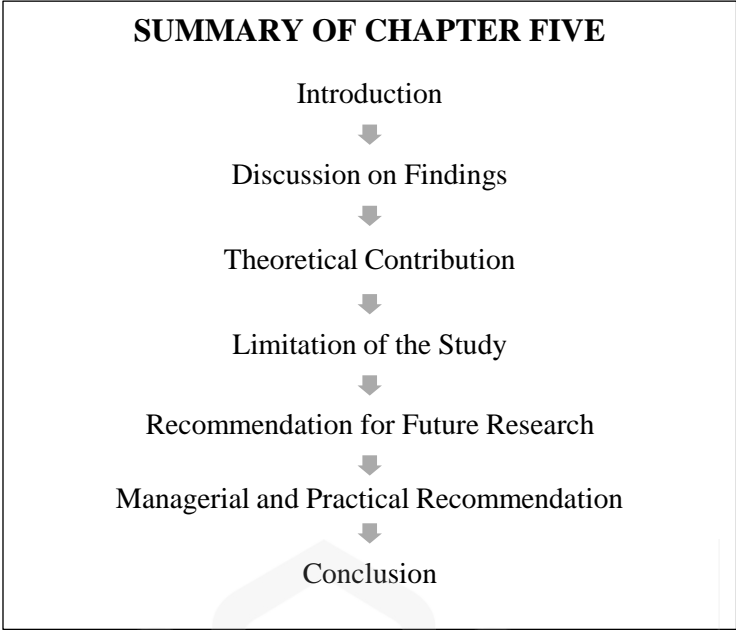
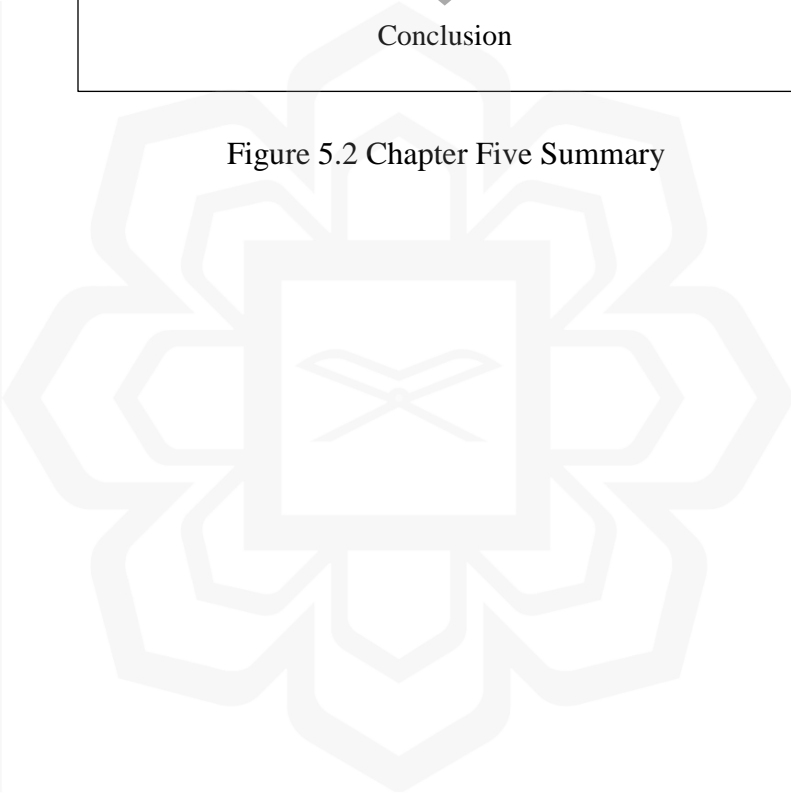


Figure 5.2 Chapter Five Summary



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APPENDIX A: SAMPLE OF CONSENT LETTER



Consent to Take Part in a Research Entitled: Purchase Intention of Personal Luxury Goods: The Application of S-O-R model and Signalling theory

1. I understand that this study is conducted for a PhD program.
2. I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
3. I understand that I will not benefit directly from participating in this research.
4. I understand that all information I provide for this study will be treated confidentially.
5. I understand that in any report on the results of this research my identity will remain anonymous.
6. I understand that the data collected from this survey will be retained according to IIUM PG Policies and Procedures for data keeping and protection.
7. I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

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Please choose one:

<input type="checkbox"/>	I have read the terms and conditions and is willing to participate in the research.
--------------------------	---

<input type="checkbox"/>	I have read the terms and conditions and wish to withdraw my participation from
--------------------------	---

APPENDIX B: SAMPLE OF QUESTIONNAIRE

Online Purchase Intention of Personal Luxury Goods

Hello participants! Thank you for taking the time to participate in this survey for my PhD research.

The aim of conducting this survey is to gain insights on the factors that might influence your trust to purchase personal luxury goods online.

For your information, what I mean by personal luxury goods are high quality and pricy fashion and accessories products such as jewelleries, leather products, watches, clothing, cosmetics and fragrances from both international and local luxury brands that you may be familiar with (E.g. Chanel, Hermes, Dior, Louis Vuitton, Saint Laurent, Gucci, Prada, Patek Philippe, Rolex, Cartier, Habib, Bonia, Jimmy Choo, Coach, Michael Kors, etc.).

The information that you share can help other consumers make better purchase decision online by knowing what to look for before deciding to trust a certain website that sells luxury goods and to avoid getting scammed by irresponsible fake luxury goods sellers.

p/s: Do join the lucky draw at the end of this survey to win a special gift ;)

Type of Consumer

Please select the category that best describe yourself as a luxury goods consumer

Which of the following category do you belong to? *

- I have experience purchasing or am considering to purchase personal luxury goods from official luxury brands websites and apps
- I have experience purchasing or am considering to purchase personal luxury goods from third-party websites and platforms (e.g. Sephora, Sasa, FragranceX, Zalora, Shopee, Lazada, Amazon).
- I have experience purchasing or am considering to purchase personal luxury goods from social commerce platforms (e.g. TikTok, Instagram, Facebook, Telegram, WeChat). *Mark only one oval.
- None of the above

Consent to Take Part in a Research

1. I understand that this study is conducted for a PhD program.
2. I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
3. I understand that I will not benefit directly from participating in this research.
4. I understand that all information I provide for this study will be treated confidentially.
5. I understand that in any report on the results of this research my identity will remain anonymous.
6. I understand that the data collected from this survey will be retained according to IIUM PG Policies and Procedures for data keeping and protection.
7. I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

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Permission *

- I have read the terms and conditions and is willing to participate in the research.
- I have read the terms and conditions and wish to withdraw my participation from the research.

Brand Reputation

Definition: *The extent to which you (consumer) believes that the brand or the seller is concerned about its customers' interest and welfare.*

In this study, brand reputation will be looked at two perspectives, first is the reputation of the luxury brand itself, and second, is the reputation of the sellers that market the luxury goods.

1. Luxury goods brands are trustworthy. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. Luxury goods brands have good reputation (respected by people). *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. Luxury goods brands make genuine claim about their products. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. Online luxury sellers are concerned about providing the best quality product and service to their customers. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

5. Online luxury sellers treat their customers well. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

6. Online luxury sellers pay much attention to the needs of their customers. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

Online Reviews

Definition: Positive and negative statements about a product, a brand or a company made by potential, actual, or former consumers that are accessible to a large number of people via the internet.

In this study, the influence of online reviews will be measured from two angles, first is the review about the luxury goods itself, second is the review on the luxury goods seller.

1. I find a luxury goods to be good after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. I find a luxury goods to be favorable after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. I find a luxury goods to be satisfactory after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. I find a luxury seller to be good after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

5. I find a luxury seller to be favorable after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

6. I find a luxury seller to be satisfactory after reading all of the reviews and responses. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Moneyback Guarantee

Definition: A consumer return policy which allows you (consumer) to return a purchased product for a full refund.

1. I believe if the online retailer promises a moneyback guarantee, I will prefer to purchase personal luxury goods online. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. I believe if the online retailer provides the moneyback guarantee which is easy to claim, I will prefer to purchase more personal luxury goods online. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. I believe if the online retailer offers a reasonable duration for a moneyback guarantee, I would like to purchase personal luxury online. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. I believe moneyback guarantee is credible and believable. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Site Aesthetics

Definition: *The appearance of all possible luxury online channels which includes luxury brand official websites and apps, third party e-commerce websites and platforms and social-commerce platforms.*

1. The screen design (i.e., colors, boxes, navigation bars, etc.) of luxury online stores is usually attractive. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. The luxury online store normally looks expensive, sophisticated and seamless. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. The overall look and feel of the luxury online store is commonly visually appealing. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. My decision to buy luxury goods online would depend upon luxury online store aesthetics. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Consumer Trust

Definition: *The faith that you (consumer) have in the online seller; that he/she will deal in a fair manner.*

1. I feel that online luxury sellers are very dependable. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. I feel that online luxury sellers are very competent. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. I feel that online luxury sellers have very high integrity. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. I feel that online luxury sellers are very responsive to customers. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Purchase Intention

Definition: Your (consumer's) readiness to use internet for purchasing any product or service.

1. If I am going to purchase a personal luxury goods, I would consider buying it online. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

2. For a personal luxury goods, the likelihood I would purchase it online is high. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

3. If I am shopping for personal luxury goods, I would prefer to do it online. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4. The probability I would consider purchasing personal luxury goods online is high. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Respondents' Profile

The information that will be collected is necessary for this research and will be used only for the purpose of this research. The information will not be distributed or disclosed to anybody. Your identity will remain anonymous.

What is your gender? *

- Male
- Female

In which age group are you in? *

- 21-30
- 31-40
- 41-50
- 51-60

What is your race? *

- Malay
- Chinese
- Indian
- Others

What is your monthly income? *

- Below RM 1500
- RM 1500- RM 3500
- RM 3500- RM 5500
- RM 5500- RM 10, 500
- RM 10, 500 and above

Which of the following category of personal luxury goods you are most likely to spend more money? *

- Jewelleries
- Clothing
- Shoes, Bags, and Other Fashion Accessories
- Watches
- Fragrance, Skincare, Makeup, Bath and Body Products

Which of the following category of online stores you prefer/frequently visit to purchase personal luxury goods? *

- Luxury brand official website/mobile app
- Resellers' websites/apps (i.e. Sephora, Sasa, FragranceX, Luxury Perfume Malaysia, etc.)
- Third-party e-commerce platforms (i.e. Zalora, Shopee, Lazada, Amazon, etc.)
- Social commerce platforms (TikTok, Instagram, Facebook, Telegram, WeChat, etc.)

Before You Go

Thank you so much for your time and effort. You have helped another person get one step closer to their goal today. We wish you success in whatever you have been working on and praying for. But, before you go, please send us an email if you want to enter a lucky draw and win a special present from us.

Do you wish to participate in the lucky draw? *

Yes

No

Contact Info for Lucky Draw

Please provide your email address so that we can contact you if you win the prize. Your email address will be kept private and used only for this reason. Thank you really much ;)

Email *

Your answer

APPENDIX C: EXPERTS' FEEDBACK ON QUESTIONNAIRE

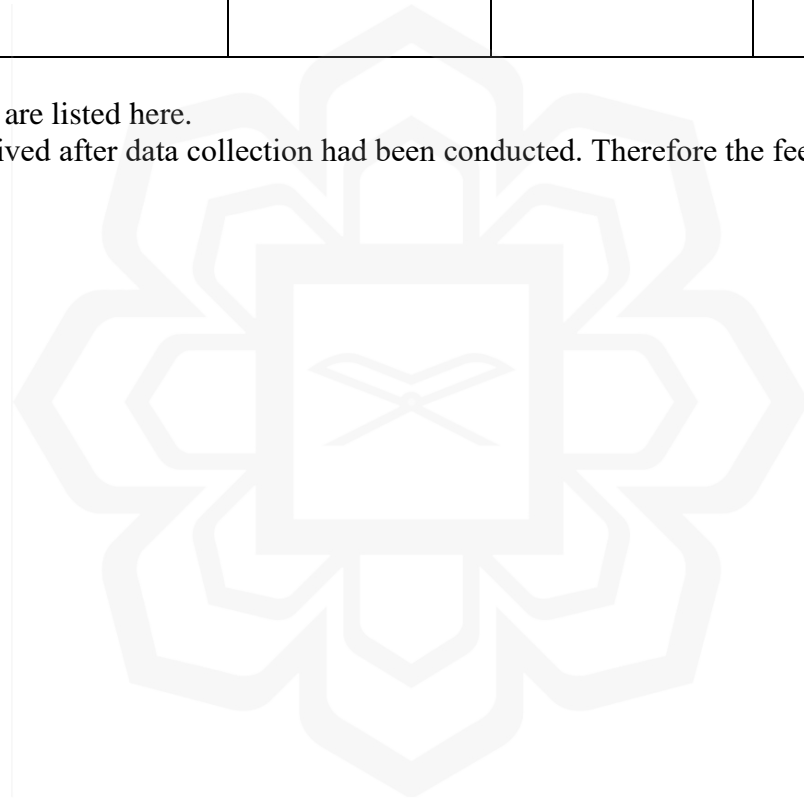
Item	Description	Feedbacks				Revised Item
		Expert 1	Expert 2	Expert 3	Expert 4	
BR3	Luxury goods brands make honest claim.	<i>Meaning not clear</i>				Luxury goods brands make genuine claim about their products.
BR4	Online luxury sellers are concerned about their customers.		<i>Concerned about customers from which perspective?</i>			Online luxury sellers are concerned about providing the best quality product and service to their consumers.
OR1	I find a luxury goods to be bad/good after reading all of the reviews and responses.			<i>Suggest to focus on one type of reviews. Not both. Can be just positive reviews.</i>	<i>Why are u using bad/good? Is it still undecided?</i>	I find a luxury goods to be good after reading all of the reviews and responses.

OR2	I find a luxury goods to be unfavorable/favorable after reading all of the reviews and responses.				<i>Same as above, why unfavorable/favorable? Which one are you measuring or looking to analyse?</i>	I find a luxury goods to be favorable after reading all of the reviews and responses.
MBG1	I believe if the online retailer promises a moneyback guarantee, I will prefer to purchase personal luxury goods online.					I believe if the online retailer promises a money-back guarantee, I will prefer to purchase personal luxury goods online.
MBG 2	I believe if the online retailer provides the moneyback guarantee which is not strict at all, I will prefer to purchase more personal luxury goods online.	<i>'which is not strict at all' – meaning?</i>	<i>What do you mean by not strict at all?</i>		<i>What's the difference between this and the previous statement?</i>	I believe if the online retailer provides the moneyback guarantee which is easy to claim, I will prefer to purchase more personal luxury goods online.
SA1	The screen design (i.e., colors, boxes, navigation bars, etc.) of luxury online stores is usually attractive.				<i>Suggest to look into alternative term for "screen design", perhaps "interface".</i>	The screen design (i.e., colors, boxes, navigation bars, etc.) of luxury

						online stores is usually attractive.
SA2	The luxury online store is normally professionally designed.		<i>What do you mean by professionally designed?</i>			The luxury online store normally looks expensive, sophisticated and seamless.

Notes.

- 1) Only items that were commented are listed here.
- 2) Feedback from expert 4 was received after data collection had been conducted. Therefore the feedback couldn't be incorporated.



APPENDIX D: DATA CLEANING OUTPUT

First Run

Note: Four outliers (35, 45, 79, 81) were detected and removed.

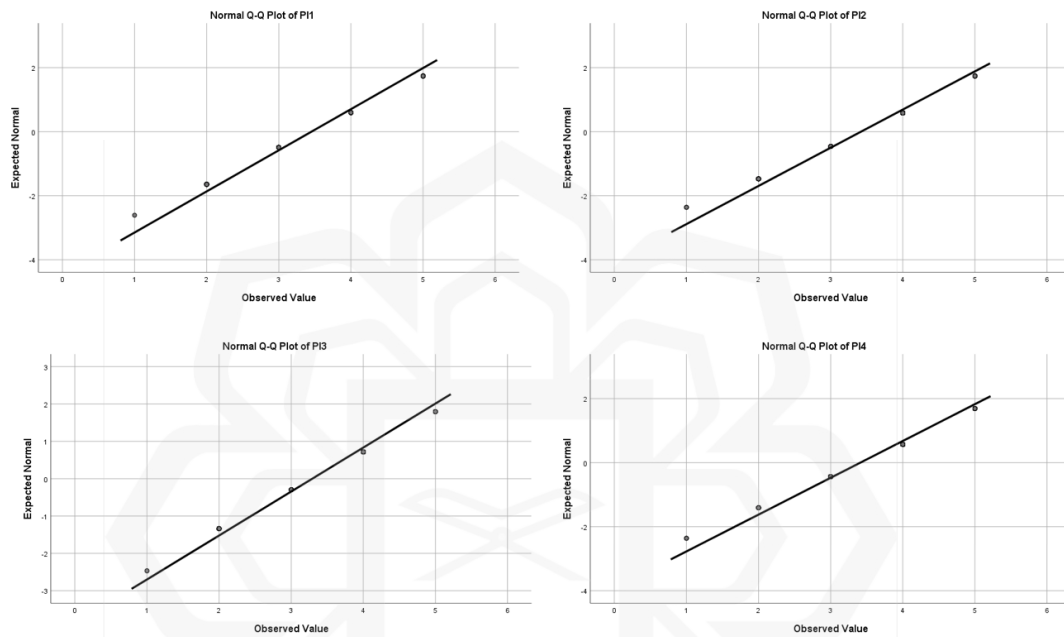


Figure D 1: Q-Q Plot First Run

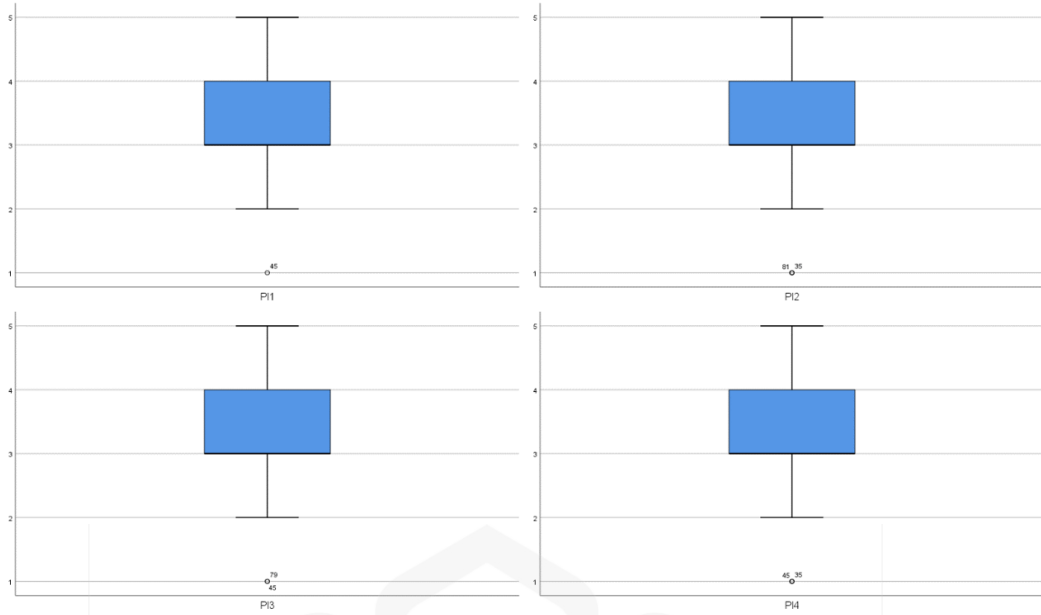


Figure D 2: Boxplot First Run

Table D 1: Calculation of z-Score First Run

Item	Absolute Skewness	Standard error	z-score (reference value $\leq \pm 3.29$)
PI 1	0.045	0.164	0.27
PI 2	0.263	0.164	1.60
PI 3	0.010	0.164	0.06
PI 4	0.229	0.164	1.39

Second Run

Note: Three more outliers (36, 77, 79) were identified and removed.

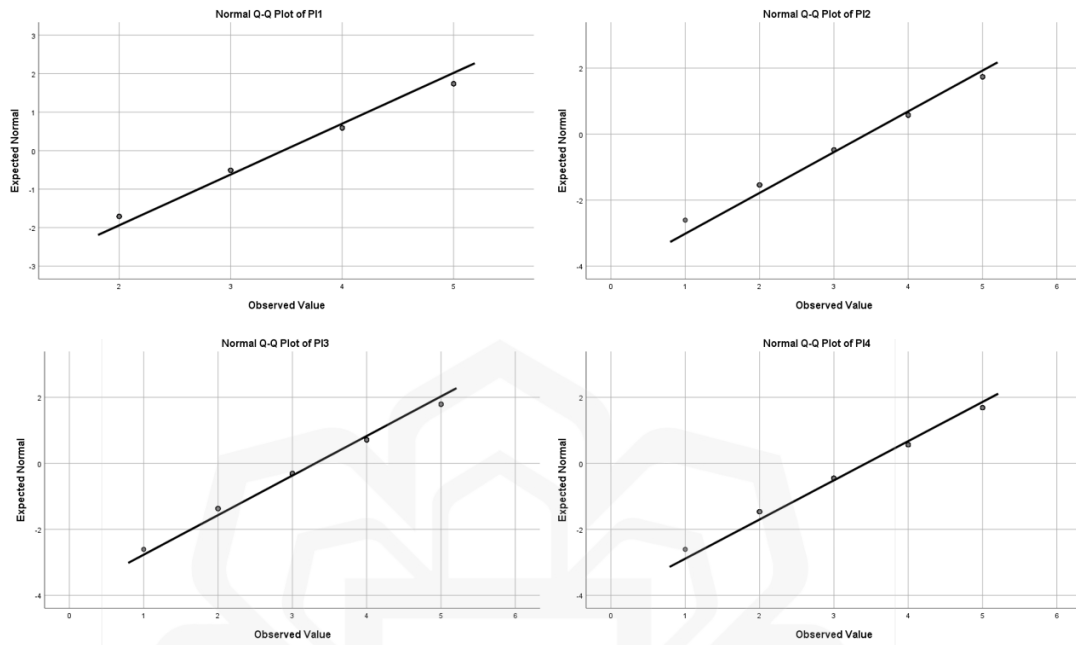


Figure D 3: Q-Q Plot Second Run

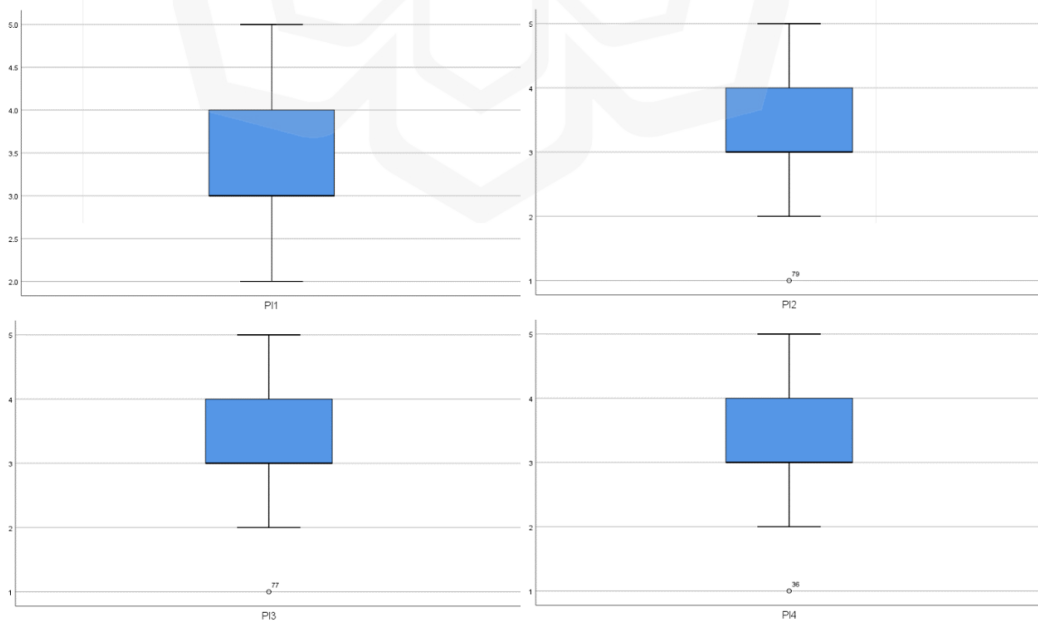


Figure D 4: Boxplot Second Run

Table D 2: z-Score Calculation Second Run

Item	Absolute Skewness	Standard error	z-score (reference value $\leq \pm 3.29$)
PI 1	0.070	0.165	0.42
PI 2	0.129	0.165	0.78
PI 3	0.043	0.165	0.26
PI 4	0.116	0.165	0.70

Third Run

Note: There is no more outliers detected.

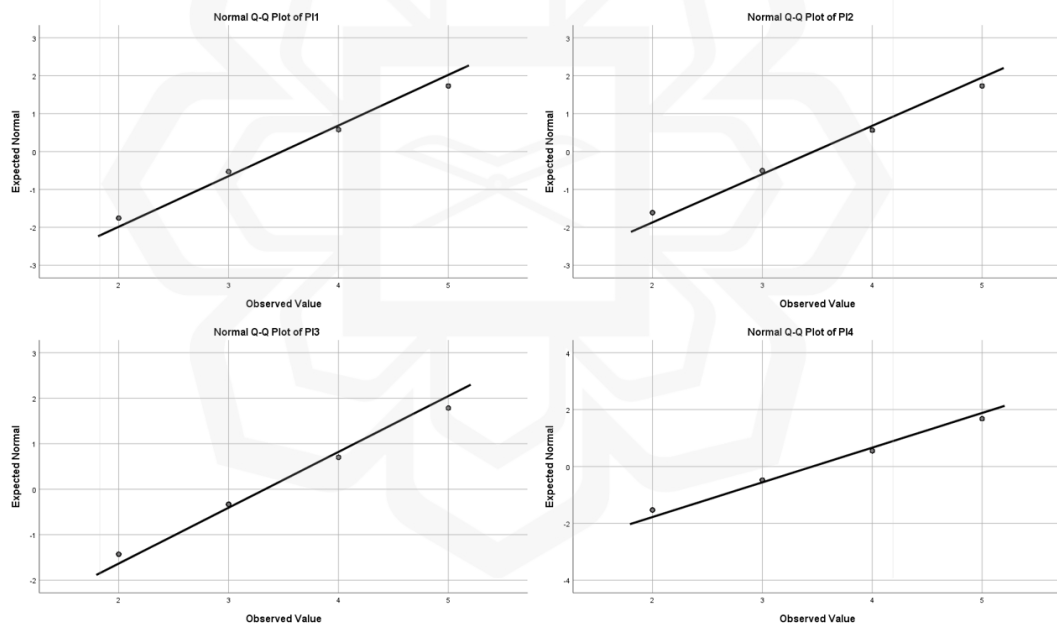


Figure D 5: Q-Q Plot Third Run

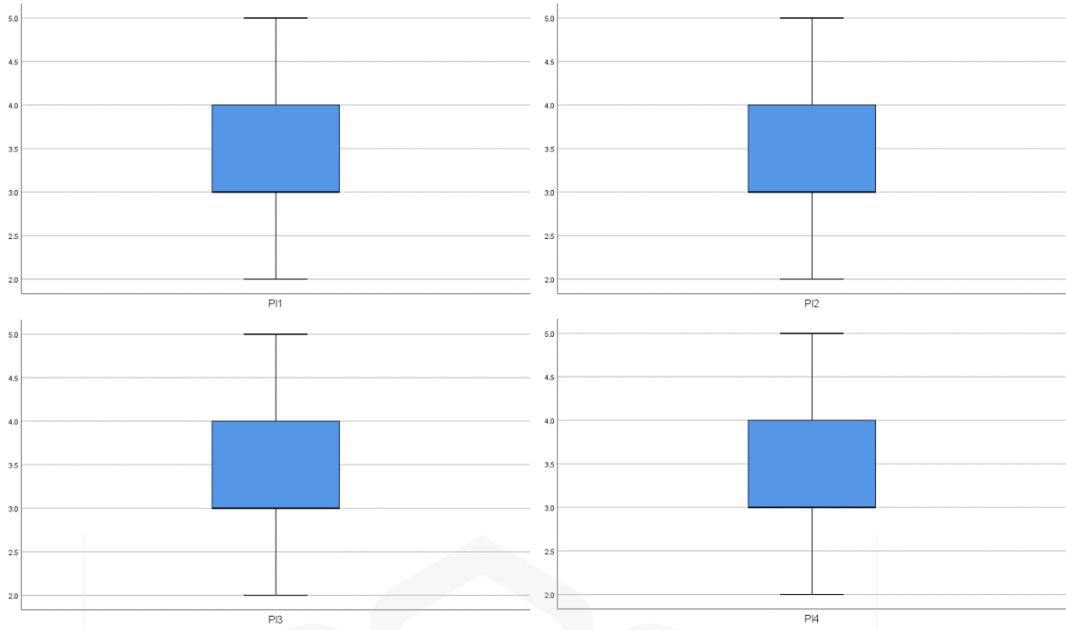


Figure D 6: Boxplot Third Run

Table D 3: z-Score Calculation Third Run

Item	Absolute Skewness	Standard error	z-score (reference value $\leq \pm 3.29$)
PI 1	0.082	0.166	0.49
PI 2	0.038	0.166	0.23
PI 3	0.109	0.166	0.66
PI 4	0.045	0.166	0.27