Chapter 27 Identifying Key Important Factors Affecting Consumer Purchase Behaviour on Luxury Brand Through the Use of Instagram

Pankarn Panachuenvongsak

Business School, Brunel University London, UK

Olusoyi Richard Ashaye

Business School, Brunel University London, UK & University of Wales Trinity Saint David, UK

ABSTRACT

Purchasing via the internet is one of the most rapidly growing forms of shopping, which has overcome traditional retailing since late 1998. In this chapter, factors related to online and social media shopping and the benefits of using social media will be discussed. Instagram application, tendency of using brand name, online consumer behaviour, and Thai consumer behaviour towards the use of social media will also be illustrated to review what the key factors important in online shopping mentioned in previous research are.

INTRODUCTION

In this chapter, factors related to online and social media shopping, benefits of using social media will be discussed. Instagram application, tendency of using brand name, online consumer behaviour and Thai consumer behaviour towards the use of social media will also be illustrated to review what are the key factors important in online shopping mentioned in previous research.

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Revision of Factors Toward Online Shopping

Purchasing via the internet is one of the most rapidly growing forms of shopping which overcome the traditional retailing since late 1998 (Ha and Perks, 2005: Lohse *et al.*, 2000). Number of researchers have studied about online shopping service (Jarvenpaa and Todd, 1997; Lohse and Spiller, 1998; Szymanski and Hise, 2000; Liu and Arnett, 2000) and classified the attributes of online shopping into four categories. **Merchandising** refers to product assortment, variety and product information. Szymanski and Hise (2000) proved that rich product assortment can increase customer satisfaction. Furthermore, extensive and higher **quality information** available online leads to better buying decisions and higher levels of consumer satisfaction (Lohse and Spiller, 1998).

For **customer service** such as security, return and payment policy (Jarvenpaa and Todd, 1997; Kolesar and Galbraith, 2000), uninterrupted and beneficial communication are all customers want. (Lohse and Spiller, 1998). Online shopping seems to be pleasurable and satisfying to consumers when an online site is fast, uncluttered, and easy to navigate. Uncluttered and easy to navigate sites shorten shopping time and the effort consumers (Szymanski and Hise, 2000). Most online shopping provides a product search engine, and navigation guidance to help consumers' searching and purchasing. Lastly, consumers are concerned about **privacy and financial information**. While most online shopping sites provides personal information privacy protection policy and guarantee for transaction security (Elliot and Fowell, 2000).

However, Wolfinbarger and Gilly (2001) implied that important factors lead people to shop online are **goal-oriented** and **experiential** which contradicted to the above literature. By way of contrast, goal-oriented motives are more common among online shoppers than experiential motives. Consumers report that shopping online results in an increased sense of freedom and control when compared to traditional shopping. Conversely, many writers still believe that online shopping provide interactivity and personalised experiences to customers (ibid, 2001).

To be more specific, there are several studies mentioned about factors influence consumer for shopping through social network site which will be indicated in the following part.

Rational Benefits

There are a number of previous research expressed that rational benefit is a fundamental for building long-term relationship and satisfaction towards online shop (Ravald and GroÈnroos, 1996; Gwinner *et al.*, 1998; Patterson and Smith, 2001). According to Gwinner *et al.* (1998), a rational benefit can be defined as a benefit to which customers acquire from long-term relationships beyond the core service performance. The researcher also suggests that an important part of a rational benefit is the sense of reduced anxiety, trust, and confidence that customers experience.

Overall Satisfaction

Jones and Sasser (2005) pinpointed that a high level of satisfaction can lead to high customer loyalty, and a truly loyal customers are all satisfied customers. In the same way, customer satisfaction can act as a barometer for measuring how well company served its own customers and how well customers like and satisfy their experience on the site (ibid, 2005, p.95).

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