CONSUMPTION BEHAVIOR AND PERCEPTION OF
THAI FEMALE CONSUMERS TOWARD
USED BRAND NAME HANDBAGS

BY
MISS PONGPIM LIMPABANDHU

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE PROGRAM IN MARKETING
(INTERNATIONAL PROGRAM)
FACULTY OF COMMERCE AND ACCOUNTANCY
THAMMASAT UNIVERSITY
ACADEMIC YEAR 2016
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INDEPENDENT STUDY

BY

MISS PONGPIM LIMPABANDHU

ENTITLED

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was approved as partial fulfillment of the requirements for the degree of Master of Science Program in Marketing (International Program)

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(Professor K. Douglas Hoffman, Ph.D.)

Member and Advisor

(Professor Paul G. Patterson, Ph.D.)

Dean

(Associate Professor Pipop Udorn, Ph.D.)
ABSTRACT

The purpose of this study is to understand consumer’s behavior on the purchase of used brand name handbags though a decision-making process, key influences, and reason-to-buy. The research also aims to understand perception and attitudes of these customers. This study was undertaken using qualitative basis with observation and in-depth interview method. The information was interpreted through marketing frameworks. The research found that the emergence of online channels has disrupted the market and created an easier mean of communication and promoting between sellers and buyers. The decision-making process on both physical store and online store were quite similar in the perspective of product authenticity and word of mouth communication. Used brand name handbag purchasers believed that the used product offered the same social status and image that they are looking for at a cheaper price. The reason to buy were worthiness, long lasting, reflecting self-identity, and discontinue model. The customer’s profile for the used product is female at age between 18-40 years old, who love shopping with superior taste in fashion, well-groomed dress, and passion on dress up nicely.

Keywords: Used brand name handbag, second hand brand name handbag, luxury product
ACKNOWLEDGEMENTS

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Miss Pongpim Limpabandhu
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CHAPTER 1
INTRODUCTION

There are over 7.5 billion people living in the blue planet, called earth (United Nation, 2015). Everyone has their own characteristics and uniqueness that only some may succeed in demonstrating them to other. The need to achieve and illustrate individual’s identity and self is the top of the pyramid in Maslow's Hierarchy of Needs or it can be called “Self-actualization” (Kotler & Keller, 2012). A person needs to distinguish self from the rest of the world and to be a part of their desire society with matched characteristics, personality, and lifestyle. Individual may use “Brand” to represent him/herself along with other means to tell the world who he/she really is and what society that he/she belongs to. This is when “Brand” steps into people’s life and offers an ability to demonstrate individual’s self-esteem and self-actualization. Brand name bag is the popular item among other items that people may choose, since it can be easily spotted and recognized by others.

Different brand bag comes with different characteristics, which it represents, and also at different price. More prestige image brands may cost a person’s kidney or liver, while lower level brand may not cost much. The price of a brand name handbag can cost as low as 30,000 baht to as high as 5,000,000 baht. In Thailand, the scope of this study, an average income per person of Thais living in Bangkok and metropolitan in 2015 was at 15,984 baht with those who earned 50,000 baht or more at only 3.2% or 179,200 people of the total population of 5.6 million people (Organization, 2015). According to the above data, only a small number can afford this piece of self-representation item. What are the solutions? One of a solution is to purchase a used brand name handbag pricing at a cheaper price comparing to a new one, making it an affordable choice. These cheaper used brand name handbags offer brand prestige and image equivalent to a new brand name handbag, but the performance may drop according to its past usage of past owner.
1.1 Problem Statement and Research Purpose

In the market, there are various brands of brand name hand bag pricing at different price from low to high for consumers to choose according to their budget, however, many may seek to purchase an unreachable bag. Since the price of desire bag may be very high, for many particular reasons, consumer would look for other alternatives, which offer the same bag at a cheaper price regardless of its being a used bag. Because of this possible reason, there is an emerging market of used brand name handbag in the world, including Thailand. Many questions have arisen on points, such as, “why people purchase this used brand name hand bag?”, “What factors are driving this behavior?”, “What are the perception of consumer toward used brand name hand bag?”, and “What are the believes of these consumers”

The researcher believes that there are tremendous undiscovered insights, which will benefit the brand and sellers in developing an effective marketing strategy to capture consumer’s needs. A better understanding of consumer’s self-actualization and believes may reveal many insightful behaviors and their decision making process. If one new brand name bag can cost a car, a well-round and effective marketing strategy would help persuading consumers to sell their house and purchase a bag.

The study would reveal a better knowledge on consumer insight which would help marketer or used brand name handbag shop owner develop the effective marketing strategy and communication to capture their impression and stimulate their buying behavior.
1.2 Research Objectives

1.2.1 To understand behavior of buying used brand name hand bag

(1) Decision making process of buying used brand name hand bag

(2) Key influent that encourage users to buy used brand name hand bag

(3) The reasons-to-buy (RTB) of buying used brand name hand bag

1.2.2 To understand perception and attitude toward buying used brand name hand bag

1.2.3 To develop buyer profile

(1) Demographic

(2) Behavioral

(3) Psychographic (lifestyle and personality)
CHAPTER 2
REVIEW OF LITERATURE

2.1 Why people consume luxury product

According to the research by Pham and Nasir (2016) on luxury product, they found that there are five major reasons why people purchase luxury fashion brand. First, people seek to define their high position in their society and to place in a high hierarchy. Second, luxury brand name products link to psychological value and sense of belonging, since luxury products reflect a high social status. People, who are belonged to a middle/low class, usually attempt to place and elevate themselves to a higher social status through the purchase of luxury goods. Third, luxury products help maintaining owner’s identity and self-image. Fourth, luxury brand name may also purchase in many occasions, such as, self-gifting, self-reward, or stress-relieve. Fifth, people purchase brand name because of its trust in quality, reliability, and durability.

2.2 Psychological factors influence consumer behavior of consumption goods and services

Consumer behavior of purchasing and consumption of goods and services is influenced by social, cultural, personal and psychological factors to satisfy consumers’ need. First, Cultural factors, which are deeply relevant to culture, subculture and social class. Culture is a part of every society and important cause of different behavior of each individual. Each culture form each social class has similar behavior that can be rooted from wealth, education, occupation etc. Second, social factors impacting consumer behavior are reference group, family, role and status. These factors form attitudes and influence behavior of particular person, which has different role and status in society at one time. Third, Personal factors affecting consumer behavior are age and life-cycle, occupation, economic situation, lifestyle and Personality. Forth, Psychological is highly influence person consumer behavior. There are four main factors; perception, motivation, learning, beliefs and attitudes.
2.3 Brand

What is a brand? According to Aaker (2014), brand does not only represent for just a functional benefit or just a logo or name, but it demonstrates one’s self, emotional and personality. In the world’s big society, one may need to distinguish oneself from one another, therefore, they seek things that will represent and register who he/she really is. Consumer tends to choose particular brands, which they perceive as a match to their self-images and life style (Cătălin & Andreea, 2014). When a need of self-demonstrating, consumer will choose brands basing on their lifestyle, background and past experience. Brand is used to develop and confirm a consumer self-concept and their unique self-identity (Fournier, 1998). What is the most preferred choice of brand? When choosing the brand, consumer may also consider the brand by its personal identity (Intrinsic factor) and social identity (Extrinsic factor) (Berger & Chip, 2007). The intrinsic factors are consisted of mean of self-expression, needs, and choice & experience. The extrinsic factor is a set of believes on current trends, one’s ideal identity, and social acceptance. With the above criteria of consumers, they will choose a brand that represents themselves. Lifestyle also plays an important role in brand choosing. Different individual lifestyle reflects different values, life vision, and goal in life of each individual (Vyncke, 2002), thereby; lifestyle can be used as a appropriate method to explaining one’s self in both personal identity and social identity. Brand must contain a positive image associating to one’s lifestyle and self (Aanand & Shacar, 2004) and an ability to distinguish self for user. Consumer use brand to demonstrate self to the society that they are belonged to, hence, their picked brands must be able to deliver “Perceptual anchoring” or value that other can be related to (Aanand & Shacar, 2004), for example, people purchase Patek Philippe watch is not only to tell time, and to illustrate to other that they can afford that particular watch. Brand concept can also be described into two orients, which are Function-oriented and Prestige-oriented (Liu, 2002). Function-oriented refers to performance based products, while Prestige-oriented refers to status based products (Acharya & Gupta, 2016).
2.4 Luxury leather product market in Thailand

According to Euromonitor International, luxury product can be categorized into eight groups: (1) Designer apparel and footwear, (2) Luxury accessories, jewelry and time pieces, (3) Luxury leather goods, (4) Fine wines and champagne, (5) Super-premium beauty and personal care, (6) Luxury travel goods, (7) Luxury writing instruments and stationaries, and (8) Luxury electronic gadgets. Brand name bag is fallen into the category of “Luxury leather goods” with the market growth of 10% in 2016 (Euromonitor, 2016). The sales trend in Thailand of this category has been increased continuously from 11 billion baht in 2014 to 12.2 billion baht in 2015 and 13.4 billion baht in 2016, in which luxury bags remain the most favorite item and top wish list of Thais both men and women. The sales value for women’s bag and men’s bag in 2016 were 6.4 million baht and 3.9 million baht respectively. In 2016 competition landscape, Louis Vuitton and Prada owned the lead in the market, nevertheless, new retail developments of the EM district, Central Embassy, and the renovation of Gaysorn Plaza has opened a door for new comer brands, such as, Proenza, 3.1 Phillip Lim, or Valentino. As Thailand had entered AEC (ASEAN Economic Community) in 2015, Thai government had issued and adjusted many policies and regulations to support the trade, including a 30% import tax and duty, in which this amendment has brought down a retail price of imported luxury products (Department of International Trade Promotion, 2017). In the future, the market is expected to grow by 6% to reach 17.9 million baht in 2021 with a continuous purchasing of high price luxury leather products from consumers.
CHAPTER 3
RESEARCH METHODOLOGY

The methods of acquiring accurate data, consumer insights, and understanding for data analyzing would be qualitative methods. Researcher used two qualitative research methods to gather the root thought of targets, which were observation and in-depth interview, in which these methods would be used to conclude the research finding that would represent the entire population.

3.1 Primary Research

3.1.1 Observation

The researcher conducted the study by observing consumer’s behavior anonymously at both types of stores: physical store and online store. This provided a better understanding of consumer need during their purchasing process, i.e. conversation between buyers and sellers, choosing style, required condition, paying method, shipping method.

3.1.2 In-Depth Interview

The researcher conducted the study by the method of interviewing with eight women, who purchased used brand name handbag, and eight women, who did not purchase used brand name handbag. Participants of both group must at least once purchased a luxury brand name handbag. This helped the researcher gaining insights of consumer’s particular attitude and behavior of both group and distinguishing the difference between the groups and exploring new opportunities for future marketing strategy and communication development. The questions asked were consisted of topics on belief, attitude and perception toward self-image, self-actualization, factors that influent buying and decision-making process. In addition, questions also covered the socio-demographic information, such as, were age, household income, education, and occupation.
3.2 Sampling Plan

The target population was female who lived in the Bangkok and consume luxury brand name handbag and purchased luxury brand name handbag at least one time in the past 2 years.

3.3 Data Collection Plan

The study was conducted on January 2017 with 8 women, who purchased used brand name handbag, and another 8 women, who do not purchase brand name handbag. The researcher used screen questions to eliminate any unqualified interviewees. The interview was conducted using the standardize style for a better accurate answer. Each interview was recorded, transcribed, and rechecked.

3.4 Theoretical Framework

3.4.1 Maslow’s hierarchy of needs model (Kotler & Keller, 2012)

This is a model of self-actualization; which concept is aimed to explain individual growth toward fulfillment of the highest needs offering the meaning of life of each individual. Maslow’s hierarchy of needs demonstrates linear of growth that illustrated by pyramid shape. The model was divided into five stages as follow; first, physiological needs which are the basic need i.e. water, food and sleeping etc. Second, safety needs, that covers security and protection. Third, belongingness and love needs, which are friends or intimate relationship. Forth, Esteem needs, such as self-respect, positive feelings from admiration etc. Fifth, Self-actualization, which is realizing personal potential, self-fulfillment, seeking personal growth and peak experiences. These five stages can be grouped by 3 ladders of need; basic needs, Psychological needs and Self-fulfillment needs.
3.4.2 Decision making process (Kotler and Keller, 2012)

This process contains five stages that can be used to understand decision-making process of consumer when they identify problems, seek for a solution, and make a post-evaluation of the choice. (Kotler and Keller, 2012). The first stage is “Problem recognition”, in which consumer, in this stage, will recognize what is the problem or need stimuli by both internal factors and external factors. Information search is the second stage where consumers will search for info, review, and experienced user’s opinion toward a set of choices. The examples of the source are personal, commercial, public, and experiential. In addition, in today’s context of Marketing 4.0, the “F-Factors”, which are Friends, Family, Facebook Fan, and Twitter follower, has played an important role in providing insightful and reliable information and opinions to consumer (Kotler, Kartajaya, and Setiawan, 2017). The third stage is “Evaluation of alternatives”, which is the stage where the consumer gather all found information and compare them against personal criteria, beliefs and attitude, and different product attributes, including the analysis through expectancy-value model (weighted-attribute calculation). The fourth stage is “Purchase decision”, which is when consumer evaluates all available alternatives together with all perceived risks of functional risk, physical risk, financial risk, social risk, psychological risk, and time risk in order to develop the purchase decision. After making the purchase, consumer will move to the fifth stage in the decision making
process, which is “Postpurchase behavior”. In this stage, consumers may evaluate their satisfaction toward the choice of product/service that they chose and determine their postpurchase action, such as, tell friends, continue purchasing, or stop purchasing.

Figure 2: Buying decision process model
CHAPTER 4
RESULTS AND DISCUSSION

4.1 Observation Key Finding

4.1.1 Physical Store

From physical store observation, the researcher found the customer journey of brand name handbag purchasing at a physical store as following. First, store layout, used brand name hand bag were displayed with plastic wrap to make customers feel that it was well kept and looked new. A more expensive used brand name hand bags i.e. Hermes or Chanel were placed in a better shelf display, such as, an eye level shelf or the highest shelf to catch customer’s attention. If the stores were also reselling new brand name handbags, used bags would be displayed separately from the new ones with clear condition labels (New or used). Second, the discussion between seller and customers, after greeting, shop owner would ask customer that which brand and model customer was looking for and at which bag condition (New or used). The shop owner, then, would bring bags matching with customer’s criteria to the customer to preview the bag. The shop owner would present the authentic card of the bag, which contained bag’s serial number, and matched the serial number on the card with the one in the bag to ensure authenticity of the bag. The seller would present additional evidences of the bag receipt, the care book, the dust bag, and sometime the paper bag to illustrate that this bag was not a bogus bag. After checking the bag, the shop owner would negotiate the price with the customer until they were able to reach the final price, normally at 1,000-5,000 baht discount from its original shop setting price. The customer may choose his/her desire payment method of cash, bank transfer, or credit card (with 0% installment plan or sometime at 3%-5% installment plan depending on months on credit).
4.1.2 Online Store

Online store pattern of buying was slightly different from physical store; the major different part was that the customer would do everything through online channel on a mobile phone/smart phone. First, customers needed to follow various online channels, mainly in Instagram application. Each shop on Instagram would post photos of brand name handbags both new and used about 10-50 photos per day with description indicating brand, model, color, size, year purchase, bag’s condition, equipment and price. Customer could follow and see new feed all day long, in which the peak hour was in an evening (7.00-10.00 pm). Second, if the customer is interested in the particular bag, they would contact buyer via Line application to ask for more photos, request for seller ID card and a copy of the 1st page of seller’s book bank to ensure transparency, then the customer may start negotiating the price. Third, customer would make a payment via transfer money to the seller’s bank account and send transferred receipt to the seller for a proof of payment. Fourth, the seller would ship the bag to the customer via messenger service, postal service or pick up at the store or meeting point.

4.2 Results and Key Finding

4.2.1 Shop Owner Interview

4.2.1.1 Physical Store

After the interview with six used brand name handbag shop owners, who own a physical store, the researcher found that all physical stores also have online channels. There were three major reasons for physical store shop owners to establish online store, which were as following. First, the owner could maximize opportunity to sell of the bag, since consumer’s behavior has evolved into the digital era.

“The turnover rate of selling used brand name handbag is much higher when I have online channels to expose to consumers. Customers would explore my offering collections from my shop’s Instagram and contact me via
Line application for additional photos, bag’s equipment and an authentic certificate, and bag’s condition. Then, the customer would transfer money to my bank account when the final price is settled. I will send the purchased bag by a messenger service or customer would pay and pick up at my storefront. Nowadays, most customers would contact me through online communication service like Line, Whatsapp, or Instagram chat to discuss about their interested items rather than calling.” – Love Brandname Shop (Siamsquare, Bangkok), 2017

Second, nowadays, women who consume luxury product, especially handbag was significantly increased comparing to years ago. These customers had a high acceptance rate of used brand name handbag and tended to purchase more.

“I have run the used brand name reseller shop for 8 years, I have noticed that more customers are being open-minded to the used brand name handbag. Thai women are influent by celebrities i.e. they want to have luxury handbags like Chompoo Araya A. Hargate (Thai famous style icon actress). There is an increase in interest of young girls (highs school students) in purchasing luxury goods and brand name handbag is usually placing at the top of their list. In the past, the youngest customer, who purchased these luxury handbags, was university student, but time has changed, so dose my customers” – Kae Brandname Shop (Ramkamhaeng, Bangkok), 2016

Third, profit from trading used brand name handbag was quite similar to the profit from new brand name handbag reselling, since some resellers might not hold an inventory, but would sell consignment products from actual bag owners with GP.

“Instead of stocking up the inventory, I prefer to fill up my shelf with consignment bags from various bag’s owners, since I can operate business with much lower investment and add more variety into my offered collection. I resell both brand new and used luxury handbags, but currently the situation of reselling brand new brand name handbag is in a red ocean, where the competition is tense. That is a reason why I prefer to sell used brand name handbag” – Hisociety Brandname Shop (Thonglor, Bangkok), 2016
4.2.1.2 Online store

Used brand name handbag online store has become one of the major channels for consumers who purchased used brand name handbag, since they could purchase products from wherever they are, they can preview, compare, and purchase used brand name handbags from any shop they like at once on their mobile phones. Not only could they check credibility and past purchase with other customers on the channel feed, but they were also be able to read reviews, see store’s rating score, and explore past transactions to ensure the shop’s service. Online store could be divided into three types of stores, which were the online store only, the online store with a physical store, and the online store as the marketplace, which was the store that providing only selling space on their online channel for actual bag’s owners to post their bags and holding no own inventory. See appendix B

“It’s very convenience for me to sell my used brand name hand bags in my stock through online channel. All I have to do is taking photos of the bag, share them on my shop online channel (Instagram application) and wait for customers to ask for more details. I can say that I put less effort than before and I do not have to worry about the political uncertainty or rainy season etc. that had affect me a lot due to a huge decrease in traffic to my store during those periods.” – Star Brandname shop (Siamsquare, Bangkok), 2017

“In my opinion, by having no physical store, it gives me an edge in the competition. Because I do not have to pay for a space rental fee, I can operate business with a lower cost and allocate my investment to boost advertisement on my Instagram channel. With a higher spending on advertisement on Instagram, I can reach larger customers, who interested in luxury product, than my competitors do. The average number of used brand name handbag I can sell per day through my online channel is 10 bags per day”. – Deglory_brandname, 2017

“To be the online store as a marketplace, it is all about selling your space for used brand name hand bag owner to advertise on your online channel space. My online channel offers those bag’s owners a portal to reach
thousands of my followers (four digits to six digits followers), who have an interest on luxury brand name products. Sometimes it would take only thirty minutes up to one hour to sell your used brand name hand bag through my channel if your bag has a good condition, reasonable price or even limited edition that you cannot find from anywhere else” – Kaidee brandname, 2017.

4.2.2 Decision making process

There were some differences in the decision-making process ladder between customers who did not purchase the used brand name handbag and those who purchased the used brand name handbag. The researcher had interviewed both groups of customers and revealed some interesting insights thought decision-making process as following.

4.2.2.1 Women who purchased used brand name handbag

(1) “Problem Recognition”, it started when consumers created their wish list of luxury brand name handbags on their mind. Because the product was expensive and considered a high involvement product, it would take times for consumers to prioritize and finalize the list. With its cheaper price and good condition, used brand name handbags were considered a faster way to complete their list. (2) “Information Search”, this was when the consumers with a positive attitude and acceptance on used brand name handbag were decided to purchase a used bag, they would search for information. These consumers tended to explore information from difference sources to distinguish authentic bag from the fake one, such as, friends who were an expert on brand name bags, the blogger’s review or Youtube review of a new bag to see details of new authentic bag, and official brand shop to see an actual bag. Customers may compare price of different shops both physical stores and online stores to seek for the best bag’s condition, model & color, and price. Customers would also check the seller’s credibility from the number of years the shop has been in the business, numbers of followers, reviews from past customers, and shop’s reputation from various websites. (3) “Evaluation of alternatives”, after gathering information on
price, bag’s condition, etc. from various sources and shops, customers would evaluate choices they saw fit within their price range or the cheapest with the best quality. However, most bags with good condition would be sold fast (within 30 minutes after posting), decision may have to reach the conclusion as soon as possible or they may have for long for exact brand name, model, color and size. (4) “Purchase decision”, after finalizing which model to buy, place to buy, and payment method, the customer would confirm with the shop and make a payment instantly or within the next day. Some customers may choose to deposit money and pay the rest at the store when picking up the bag. (5) “Post purchase behavior”, customers, who satisfied with quality of used brand name hand bag, would repurchase used brand name hand bag from that shop again and addicted to buy used brand name hand bag with the perception of “Why pay more? They tended to leave a good note on that shop’s page and tell friends that this shop was credible and a good choice for good bag and reasonable price. However, if their experience with the shop was bad, such as, bogus bag, bad condition, or poor delivery and packing service, they would do the same in the reverse way to positive experience.

4.2.2.2 Women who did not purchase used brand name handbag

(1) “Problem Recognition”, in this stage, the customer would create their wish list of luxury brand name handbags from latest collections, classic collections, and emotional needs for particular bags for particular events. (2) “Information Search”, there were mainly three types of information search, which were friends, Internet, and own experience. Information search from peers would be done with friends who were very keen and have knowledge on brand name handbags. There were many reliable channel for internet source, such as, websites, social media of both from official brand channel and expert blogger reviews i.e. blog, YouTube video, Instagram etc. Own experience also played an important role in gathering information, in which the customers would go to the official brand shop and gather information from Shop Assistant (SA) and by touching, carrying, and comparing size and color between different model. (3) “Evaluation of alternatives”, in this process, the customers would evaluate choices in different perspectives and attributes, for example, brand, model,
functional usage, source of buying (buy from official brand shop in Thailand, buy from official shop in abroad when they have flight to fly, buy from physical or online reseller, as known as shop in Instagram application channel) see appendix C, since non-official reseller shop would provide slightly cheaper price from tax refund benefit. (4) “Purchase decision” after gathering all information and comparing alternative, they would make decision which brand, model, type of shop they would buy from and this stage they would select type of payment (cash or credit card) per promotion on that period for both official brand name shop or reseller shop. See appendix D. (5) “Post purchase behavior”, after the purchase, the customers would rate their satisfaction and tell friends regarding their experience in the perspective of the product, a payment process, or a seller.

The below table illustrates the difference between the decision-making process between women who purchased and did not purchase used brand name handbag.

Table 1 – Decision making process

<table>
<thead>
<tr>
<th>Stage</th>
<th>Women who buy used brand name hand bag</th>
<th>Women who not buy used brand name hand bag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem recognition</td>
<td>• Emotional need</td>
<td>• Emotional need</td>
</tr>
</tbody>
</table>
| Information search     | • Physical used brand name hand bag store
• Online used brand name hand bag store (mostly Instagram application) | • Peer who keen about brand name hand bag
• Online media (Website, blog, YouTube, Instagram application)
• Experience in brand name official shop |
<table>
<thead>
<tr>
<th>Stage</th>
<th>Women who buy used brand name hand bag</th>
<th>Women who not buy used brand name hand bag</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation of alternatives</strong></td>
<td>• Evaluate from bag available in the physical shop’s inventory</td>
<td>• Official brand name shop in Thailand</td>
</tr>
<tr>
<td></td>
<td>• Evaluate from photos posted on Instagram application</td>
<td>• Official brand name shop in abroad (When they have flight to fly)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reseller shop (both physical shop, online shop)</td>
</tr>
<tr>
<td><strong>Purchase decision</strong></td>
<td>• Price negotiation</td>
<td>• Payment method selection</td>
</tr>
<tr>
<td></td>
<td>• Payment method selection</td>
<td>• Shipping method selection</td>
</tr>
<tr>
<td></td>
<td>• Shipping method selection</td>
<td></td>
</tr>
<tr>
<td><strong>Post purchase behavior</strong></td>
<td>• Refer to peers</td>
<td>• Refer to peers</td>
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<td></td>
<td>• Addicted to buy used brand name hand bag</td>
<td>• Trust created, keep buying from that reseller</td>
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<td></td>
<td>• Write comments/review toward the experience both positive and negative</td>
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4.2.3 Key-influence toward buying used brand name handbag

4.2.3.1 Self-esteem fulfillment

According to Maslow’s hierarchy of needs, self-esteem was the 2nd to the top attribute in the ladder, in which it reflected prestige and feeling of accomplishment to fulfill psychological need. Consumers tended to buy luxury handbag to satisfy self. Most interviewees, who purchased used brand name handbags, stated that as long as the bag was carrying its brand prestige and image, and in a good condition, they did not care whether it was new or used since it suited my need to own bags in my wish list.

“After working hard for years, I just want to own brand name hand bags to fulfill myself either new or used. Because every time that I look at them, it makes me feel so good like I have achieved one of many goals in life” – Daraka P, 2017.

4.2.3.2 Social status reflection

From in-depth interview, the researcher found that all of interviewees stated that they carried brand name handbag to reflect that they belong to a higher social status. By carrying the brand handbag, it could be implied that the owners were well-to-do people. Different brands of luxury handbags reflected different status in the society through its price; for example, a Louis Vuitton bag (30,000 baht) would reflect a lower middle class status while a Chanel bag (200,000 baht) would reflect an upper middle class to lower upper class status.

“I carried brand name handbag not only to imply that I have money, but also to screen people who would like to get into our life, even that bag or that luxury things don’t have logo on it, but same group of people will suddenly know what brand name we use that can reflect what kind of people I am” – Vipassorn T, 2017.
4.2.3.3 Seeking for social acceptance

Using brand name handbag did not directly reflect or uplift a person’s social status, but consumers believed that brand name would registered its credibility and image to users when they went to business meetings, conferences, or social events. In addition, many interviewees stated that by carrying brand name handbag, it gave them more confident regardless of the condition of new or used.

“I feel less confident if I go out without brand name bag. On the other hand, if I dress up in a simple dress and carry brand name handbag, I will make me look 80%-90% much better, especially when I go to the mall. I normally use brand name handbag every day, except when I want to blend in with particular event, then I will use non-brand name hand bag”- Ramida S, 2017.

“When I have meeting with client, I always attend the meeting with brand name hand bag on my shoulder. I believe that the brand name hand bag create credibility and make me look more reliable reflecting from the brand’s heritage and credibility” – Kleddao J, 2017.

4.2.4 The reason-to-buy (RTB)

4.2.4.1 Value for Money

Buying used brand name handbag could be considered as the worthy choice. Interviewees shared their point of view that if you could differentiate between the authentic bag and the fake bag, you may get used brand name handbag in a very good condition and price at 30%-40% cheaper than the new bag.

“I own the luxury brand name hand bag rental business. I started buying used brand name handbag because of its cheaper cost. I, then, have started to purchase used brand name handbags for my personal use and no one knows that I have been using used bags all along. I own a lot of these used bag and all of them are still in the perfect condition.” – Ramita S., 2017.
4.2.4.2 Long lasting, can pass to next generations

Brand name handbag was made from good material; therefore, consumer could pass it over to their daughters or relatives. Some interviewees received some of their brand name handbags from their mothers. They believe that investing in brand name handbags is worthwhile than non-brand name handbags since they could keep and continuous using those bags for at least 10 to 20 years.

“I prefer brand name handbags rather than non-brand name. When I was a little girl, my mother always paid more for brand name handbags, because we could use it longer. Beside, I can give these bags to my daughter as well, like my mother gave to me. Vintage luxury hand bags are very fascinating and rare.” – Ariyaphon I, 2017

4.2.4.3 Self-identity

Each brand name has its own characteristic reflecting in its design and brand heritage regardless of its condition (new or used). Nowadays, consumers do not consume luxury brand name handbags only because they are expensive; they purchase the style to represent their self-identity.

“Personally, I do not want to buy Louis Vuitton or Chanel because lot of Thai people use those kinds of brand. I would prefer Celine or Fendi, not only because it represents my style and self-identity, but also less people use these brands. I want to be unique and be myself.” – Usanee S., 2017.

“Every time I go to Siam Paragon, I realize that there are hundreds of Chanel bag users. Because of this reason, I avoid buying Chanel, even it was my wish list. I do not want to be like other people.” – Varissara A., 2017.
4.2.4.4 Discontinued model, limited edition

The researcher found that there are some cases that the interviewees missed some bags because those models were discontinued or limited edition. Buying used brand name handbags would give them a chance to own their dream or wanted bags.

“I used to find Prada mini gold chain all over Europe, but it turned out that it was sold out. So I told my friend to look for this model from a reseller shop and I found one with superb condition. That was my first time buying used brand name handbag.” Kleddao J, 2017.

4.2.5 Perception and attitude of buying used brand name handbag

4.2.5.1 Smarter choice; Pay less but get the same thing

Most of used brand name handbag buyers shared this opinion toward the purchase. Many interviewees had limited budget to purchase brand name handbags, therefore, purchasing used brand name handbag was being perceived as a smarter choice that could save them up to 30%-40% comparing to new condition. Even though we were willing to pay a lot for a handbag, they were price sensitive people, who always seek for the best price before making the purchase decision.

“Why do I have to pay more, if I can distinguish between authentic and fake bag. Online used brand name hand bag shop sell at 30%-40% less than the shop's price. No one will know whether I am carrying a new bag or used bag. I could save money on this bag to buy another used bag, then I could finish my wish list way more faster.” – Varissara A, 2017.

4.2.5.2 Just resell when you are getting bored

Since the customers bought the used brand name handbags in a much cheaper
price comparing to the new condition, they needed to worry less of getting bored at the bags. Many interviewees were agreed that they could resell these bags at a quite similar price and buy a new one to carry.

“If the bag that I bought is not practical in my daily life, I would just resell it and buy new one. I buy used brand name handbag at very good price, so I do not have to worry about that anyway” – Piriya S., 2017.

4.2.5.3 No Careless usage worries

Another benefit of buying used brand name handbag was that the users did not need to worry much about their bags comparing to a new bag. Because they were 30%-40% cheaper than a new bag, users did not need to concern that the bag might set a scratch or being splashed with water or being tainted with color from clothing.

“I feel more comfortable to carry used Chanel hand bag at 90,000 THB in daily life. I can place it anywhere i.e. On the floor, rather than buying new one at 150,000 THB and keep it because I don’t want it to be scratched and just only carry when I go to wedding or event” – Wathinee P., 2017.

4.3 Buyer Profile

The customer profiles for used brand name handbag were women with an age between 18 - 40 years old, who are university student, office worker or business owner. They live in Bangkok with a socio-economic status (SES) of B and above. They are interested in luxury product, especially brand name handbag. They have bought used brand name handbag at least 1 time. They love shopping and spend their time on fashion content. They love to dress up to represent self-identity and well groomed.
Table 2: Buyer Profile

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<th>Description</th>
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| **Demographic** | • Female  
• Age 18-40 years old  
• University student, office worker, business owner  
• Live in Bangkok  
• SES B and above |
| **Behavioral** | • Interested in luxury product  
• Bought used brand name hand bag at least 1 time |
| **Psychographic** | **Lifestyle**  
• Love shopping  
• Spend time to update and consume fashion content |
| **Personality** | • Love to dress up  
• Well groomed  
• Tasteful |
CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Among thousands of people in a society, branded products make a person different from others by adding unique image and representing the self of the owner through brand characteristic. It could be summarized that branded item walks its owner to his top of the self-actualization pyramid. Brand name handbag is among the top choice for people when they purchase luxury leather product because it can be easily seen and recognized by others. The price of a new brand name handbags are varied from 30,000 baht to as high as 5,000,000 baht and more, therefore, some consumers would seek for other alternatives, which offer an equivalent brand image and usage within their available budget. This is when the “used brand name handbag” come in to play and pinpoint its importance in a market.

As the emerging of digital technology, online channel has become a major communication channel that offers instant, cheap, and vibrant ways of communicating. New mobile applications, such as, Line application or Whatsapp has made a communication more effortless like never before. With the introduction of an online market place and channel like Instagram application on mobile phone, it has opened a new century of buying and selling for both buyers and sellers with wider and easy to access choices to do the business. Regardless of the new channel, the traditional channel of a physical store has remained an importance in credibility reinforcement for online channels. Most physical store owners of used brand name handbags also have online channel to grab an opportunity to sale via online channel. The platform of marketplace online has become popular among buyers and sellers, in which the transactions were over thousands per day and that one good condition used brand name handbag could be sold within 30 minutes after posting.
The customer's journey and their decision-making process at both physical store and online store were quite similar basing from the researcher's observations. Customers would look for a desire bag together with some forms of bag's credential, which would prove its authenticity, such as, authentic card, full bag's equipment, or an original bag's receipt from an official shop. Customers would then hopping from shop to shop to seek for the particular model and a better price. The payment could be done with cash, bank transfer, or credit card. Customers who purchase online might or might not get to see an actual bag before the payment; however, they will receive photos of the bag at every angle. The customers can pickup the bag at a physical store if there is any or have the seller send the bag through a messenger service or a postal service. The customers share a common practice on the post purchase behavior of sharing experience with peers or friends and writing a review or a blog on seller's page and websites.

Customers who purchased used brand name handbags believe that the used bags offer the same self-esteem fulfillment, social status, and social acceptance like what new bags are offering. The thought that the used bag was a smarter choice in term of value for money, since they could save upto 40% from purchasing a used one. With a limited budget, they could buy used brand name handbags and pass along to their family or friend as a keepsake or heritage. Some models were discontinued; therefore, buying used bag was the only choice that they had to own their desire model. Many were agreed that they had less worry of their handbags being dirty or splashed by water, because the price they bought was cheap. In addition, they could just resell their used bag with a good price to buy a new bag if they were bored at that model. The customer's profile of used brand name handbags is female at an age between 18 to 40 years old. The variety of user's occupations is from a university student, an office worker, a business owner to a housewife. These people are interested in shopping and has purchased brand name handbag for at lease one time.
For psychographic profile, they would love to dress up in well-groomed clothing with exquisite taste.

5.2 Recommendations

**Leverage referral to increase credibility**

From the in-depth interview result, the researcher found that people tend to believe friends and family when it comes to recommendations regarding source of buying regardless of the bag’s condition (new or used). Researcher recommend a shop owner to create a marketing campaign by doing a referral program to create credibility of the shop, maximize possibility to sell and boost up sales.

**Trigger purchase by utilize interest installment**

Utilize payment installation could generate more sales and trigger potential target to buy since they do not have to spend just one big budget, they can gradually do payment installation to minimize worry on their financial risk, which serving as one of the risks avoiding customers to purchase basing on decision-making process.

5.3 Limitation of the Study

Even though this study will provide a consumer insight and deep understanding consumer’s behavior, attitude toward used brand name handbag purchasing, the result from the answers may need to be carefully interpreted because of few limitations. First, time constraint on data collection and sample size may not be able to represent total population. Second, interviewees have possibility answer not straightforwardly since the truths may dilute their image.
REFERENCES

Books and Book Articles


Article


Electronic Media


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APPENDICES
APPENDIX A

QUESTION GUIDE FOR IN-DEPTH INTERVIEW

Interview questions:

1. Personal information
   1.1 Gender
   1.2 Age
   1.3 Where do you live?
   1.4 Level of education
   1.5 Occupation and level of position
   1.6 Income range

2. Personal lifestyle
   2.1 A day in a life (both weekday and weekend)
   2.2 Favorite activities when having free time, why?
   2.3 Media consumption, why?
   2.4 Favorite shopping channel, why?

3. Luxury brand name handbag consumption
   3.1 Are you using luxury brand name hand bag?
   3.2 How many bag do you have? Which brand and model? Why?
   3.3 Have you ever bought used luxury brand name handbag? Why?

4. Attitude and perception of people who buy luxury brand name bag (either new or old)
   4.1 Why do you use luxury brand name hand bag?
   4.2 Why you decide to buy/not to buy used brand name hand bag?
4.3 What criteria that you use when purchasing new/used brand name hand bag? Why?

5 Behavior of people who buy luxury brand name bag (either new or old)?

5.1 How often do you buy the luxury brand name bag?
5.2 How much do you spend for one luxury brand name hand bag?
5.3 Where do you buy luxury brand name hand bag? Why?
5.4 Normally, which type of the shop you buy luxury brand name hand bag? Why?
APPENDIX B

TYPE OF ONLINE STORES

Online store only

Physical store which has online channel
Online store as a market place
APPENDIX C

TYPE OF STORES

(FOR CONSUMERS WHO DO NOT BUY USED BRAND NAME HAND BAG)

Official brand name shop

Physical store (Reseller)
Online store (Reseller)
APPENDIX D

EXAMPLE OF PROMOTION

Official brand name shop channel
ADDITIONAL OFFERS TODAY - 12 JUNE 2016

KRUNGSRRI EXCLUSIVE SIGNATURE / KRUNGSRRI SIGNATURE CARD
8% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 5,000 PER ACCOUNT)

ALL KRUNGSRRI PLATINUM / KRUNGSRRI LADY CARD
5% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 5,000 PER ACCOUNT)

- Cash rebate will be credited to customer’s account within 90 days after promotion ends.

SCB PRIVATE BANKING / SCB FIRST CARD
7% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 4,200 PER CUSTOMER)

SCB BEYOND PLATINUM / SCB ULTRA PLATINUM / OTHER SCB PLATINUM CARDS*
5% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 3,000 PER CUSTOMER)
*EXCEPT SCB XTRA PLATINUM, SCB TOYOTA PLATINUM AND SCB KING POWER PLATINUM CARD

- Cash rebate will be credited to customer’s account within 60 days after promotion ends.

KTC CREDIT CARDS*
5% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 5,000 PER CUSTOMER)
*EXCEPT KTC - THAI RED CROSS SOCIETY CREDIT CARD, KTC VISA CORPORATE GOLD CREDIT CARD, KTC GOVERNMENT SERVICE CARD, KTC CASH BACK CREDIT CARD AND ALL KTC REVOLVING LOAN CARDS.

- Customer will not get their Forever Reward for the whole transaction that get cash rebate.
- Cash rebate will be credited to customer’s account within 60 days after promotion ends.

ADDITIONAL OFFERS TODAY - 30 JUNE 2016

CITI CREDIT CARDS
5% CASH REBATE FOR EVERY THB 10,000 PURCHASE / SALES SLIP (MAXIMUM CASH REBATE THB 2,000 PER ACCOUNT)

- Please register by sending SMS to 4712333: Type CLUB (leave space) and follow by your last 12 digits credit card number.
- Cash rebate will be credited to customer’s account within 90 days after promotion ends.
APPENDIX E

PROJECT TIMELINE

The project timeline in details as following,

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<th>Activities</th>
<th>Oct 1 2 3 4</th>
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BIOGRAPHY

Name         Pongpim Limpabandhu
Date of Birth August 10, 1990
Educational Attainment 2015 – 2017: Master's Degree Program in Marketing
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