# AN ANALYSIS OF THE IMPACTS OF CONSUMER SHOPPING CHARACTERISTICS AND PERCEIVED WEBSITE QUALITY ON PURCHASE INTENTION FROM A PRIVATE SALES SITE

by

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(Under the Direction of Soyoung Kim)

#### ABSTRACT

The current study explored the impacts of shopping characteristics and perceived website quality on purchase intention from a private sales site. Data were collected from 164 female respondents who are members of at least one private sale website. Fashion leadership (two dimensions) bargain shopping, impulse buying, and hedonic motivations were the five shopping characteristics chosen, and it was found that impulse buying and bargain shopping were significant predictors of purchase intention. Of the three dimensions of website quality found, ease of use was the only dimension of website quality to be a significant predictor of purchase intention. Furthermore, the relationships between shopping characteristics, perceived website quality, and purchase intention were tested and partially supported.

INDEX WORDS: Purchase intention, Private sale site, Fashion leadership, Bargain shopping, Impulse buying, Hedonic motivation, Website quality

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## DEDICATION

To my loving parents, Javier & Sonia Martinez, who taught me the value of education

#### ACKNOWLEDGEMENTS

"I can do all things through Christ who strengthens me." Philippians 4:13 Preparing this thesis has been a long journey with many unexpected ups and downs, it is to the thanks of a great family, good friends, and caring professors that I have accomplished this goal. I am blessed beyond all measures, and I just want to say thank you.

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## Chapter I

## Introduction

The business world is one of perpetual motion as one must not only survive but thrive in an ever changing market. This case is even more so for the luxury industry world where intangible characteristics such as exclusivity are highly valued. The luxury good market plays a vital role in the US economy, which in 2007 exceeded US\$ 130billion (Fionda & Moore, 2009). It was marked as being one of the fastest growing sectors. This was due to a variety of factors, but the most notable one was the increasing number of individuals having higher net worth. With these individuals' new increased net worth, a strong desire for luxury goods was developed (Fionda &Moore, 2009). In order to meet this demand, luxury brand companies implemented strategies to reach the ever growing demand by increasing availability through opening new stores in new areas of the world and by increasing market accessibility. This development was aided by higher clientele's increased desire to spend money on luxuries as well as the luxury brand becoming a part of consumer culture. As a result, luxury brands are some of the most recognized and respected brands worldwide (Danziger, 2005; Fionda & Moore, 2009).

#### **Background of luxury industry**

Luxury goods are broken down into several categories, but the fashion sector of luxury goods holds the largest proportion of sales, 49% in 2007 (Mintel Report). The fashion sector of luxury goods was also the strongest product category in 2007 (Fionda & Moore, 2009). Because of the constant changing nature of fashion and the number and scale of items produced under one

brand name, the fashion category of luxury goods is considered more complex than other categories (Fionda & Moore, 2009). Luxury in terms of fashion has been defined from two viewpoints, consumer and product. From a consumer view, luxury can be seen as a psychological factor. It becomes a status symbol and a high interaction consumption process that leads to symmetry with one's self concept. From the product point of view, luxury is defined by characteristics specifically excellence in quality, high sale value, distinctiveness, exclusivity, and craftsmanship (Fionda & Moore, 2009).

#### Branding

Within luxury, brand image plays one of the most important fundamental roles. Because of marketing strategies developed for success of the brand, the image must be defined and executed with high precision and accuracy. The execution of the branding strategy enables the reputation to build globally as well as to get the brand awareness and status at the desired prestige level. One of the major factors that make a brand luxury is exclusivity. Companies can keep their brand exclusive through advertising, endorsements, distribution, price, and making limited edition items. Another factor that makes a brand luxury is the experience the consumer is given by the brand's environment and service. Luxury stores have been called shopping cathedrals by consumers. These stores are said to convey a sense of magnificence defining the shopping experience which is vital as the experience is just as valued as the product (Fionda & Moore, 2009).

#### Luxury online

When it comes to luxury brands on the internet, there has been an apparent gap where they are missing from the online world (Okonkwo, 2009b). One reason for this resistance is the lack of a way to move the brand from physical environment to a cyber one. Companies have found it difficult to translate the feelings of desire and exclusivity and increase sales online while not tarnishing the value of the brand that took many years to create (Okonkwo, 2009b). Luxury brands are a combination of emotion, image, and personality; they become a part of one-self identity as these ideals are shared symbolically. It has been a struggle for luxury brands to translate intangibility, tangibility, and inaccessibility online (Seringhaus, 2005) as luxury retailers cannot distinguish a method to showcase high value, prestige, craftsmanship, and exclusivity online. These issues are creating a paradox since the luxury world is dominated by a push market, influenced by advertising, but the online world tends to act more like a pull market where customers are influenced by purchase information and not by advertisements (Okonkwo, 2009b). There is a market presence online currently for luxury companies as half of the 38 million online population are luxury buyers. The luxury good market is yielding 10% of sales revenue online; however it is coming from very narrow assortment of luxury companies online (Seringhaus, 2005).

When the internet first became a new venue, it was thought to only provide for utilitarian, task-oriented, shoppers (Bridges & Florsheim, 2008). The internet, a fast paced medium, is characterized by a lack of physical contact between not only the consumer and sales staff but also the consumer and the product. Consumers can access the internet at any time or location, making the internet convenient. The ability to switch between websites with a click of a button gives a low switching cost between products and brands; however, there is a wider expanse of products variety available for viewing with great ease. These characteristics give way to a medium intended for the masses which is typically opposite of the luxury niche market (Okonkwo, 2009b). Luxury brands appeal to the innermost senses or personal characteristics meaning they play a major role in creating the brand lifestyle, making the product a reality. This

aspect has made it quite difficult to translate high touch products such as apparel onto the internet; (Okonkwo, 2009b) however, it has been found that overtime as the consumer becomes more comfortable with using the internet in terms of ease of use and satisfactory benefits such as convenience as well as the control they have, they begin to develop hedonic, experience based, shopping characteristics (Bridges & Florsheim, 2008).

Fashion luxury retailers can be profitable on the internet with a successful strategy for the online market. Retailers must use the advantages, the technology that comes with the internet, to make their site as easy but enjoyable as possible. The number of luxury consumers coming to the online arena is increasing as they seek the value of convenience but still want the 'luxury' aspect in addition (Danziger, 2005). Overall the marketing of luxury online sites is a delicate balance between translating offline services to an online market while realizing the advantages of the internet. Luxury retailers must be able to translate these services in addition to not forgetting to take advantage of the consumers needs online (Okonkwo, 2007).

#### **Bargain shopping:** new path for luxury

Bargain shopping is an old concept but the meaning of bargain shopping has evolved. The stigma of bargain shopping consisted of buying low priced items or below average quality products, but now bargain shopping has transcended into simply getting the best value for the money. Consumers today regardless of age, class, or income level have all engaged in bargain shopping whether it be in discount stores, off price retailers, or online. With the changing of the stigma of bargain, luxury goods have entered the new arena, making luxury goods more readily available and affordable to consumers than it has been in the past through sites such as bluefly.com and outlet stores. Luxury and exclusivity go hand in hand; therefore, entering the bargain market has changed the luxury market. Luxury can now be described as "massclusivity, (Lim, 2009)" resulting from the appearance of new luxury consumers and the bargain shopping craze (Lim, 2009). This new era of luxury could be said to stem from the changing definition of luxury. Where luxury used to be the exclusive, hard to get, show stopping goods that set one above the rest, new luxury is now defined as the products and services that are of high quality, style, and more desirable than other goods, but not so expensive that one could never obtain a luxury product. This new way of defining luxury makes it more accessible to the masses (Atwal & Williams, 2009; Danziger, 2005).

Luxuries in the past were only for the affluent class and became a symbol of superiority among the classes. It distinguished the upper class from those who were not as privileged. However, this did not stop the less privileged middle classes from desiring, aspiring, and making a way to attempt to obtain the luxuries of life (Atwal & Williams, 2009; Okonkwo, 2009b), and today this feeling has remained intact, the need to have luxury for distinction, to be set apart, recognized, admired, and desired. Now the middle class that was excluded from this lifestyle with the help of bargain luxury shopping are able to purchase luxury products (Okonkwo, 2009a).

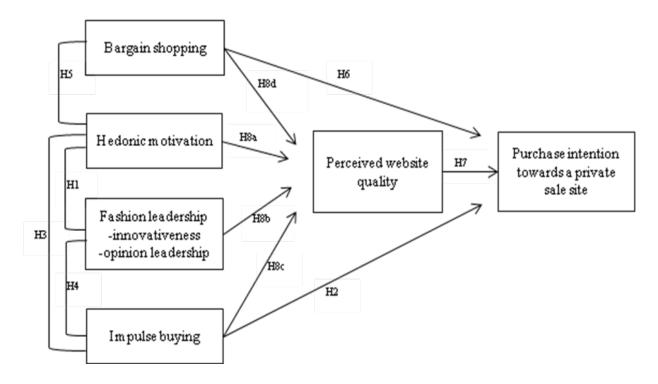
#### Justification

Bargain luxury shopping is a relatively new concept that consumers have quickly adopted. Numerous luxury discount stores have emerged such as Off Saks Fifth Avenue, Nordstrom's rack, and even Bloomingdale's and Lord & Taylor are getting into the mix. With consumers craving price promotions at all income levels and the current economic situation, bargain luxury shopping is spreading quickly and has started to expand to the online market. Private sales sites are unique in nature as they have taken the traditional sample sale format and have translated it to an online world, a task that has taken the luxury industry years to accomplish In addition, private sale sites have taken bargain shopping to an exclusive level with their distinctive operations.

As private sales sites continue to grow in popularity, insight into behavioral intentions is becoming more important. Little, if any research has looked into what motivates consumers' to purchase from private sales sites. It has also been shown in past research that there is a strong connection between purchase intention and actual purchase behavior; therefore, this study can add to the gap in literature on online shopping in the luxury industry and in bargain shopping. By examining consumers' motivations, retailers, the luxury industry, and the numerous private sales sites can benefit exponentially by the knowledge obtained. Therefore, the purpose of this study is to determine individual characteristics that influence consumer perceived website quality and purchase intention towards private sales sites.

#### **Objectives**

The overall objective of this research is to examine the factors that influences purchase intentions for private sales sites. The first objective of this study is to examine the relationship between hedonic shopping motivation and three consumer shopping characteristics, fashion leadership, bargain shopping, and impulsive shopping. The second objective is to analyze the relationship between the two dimensions of fashion leadership and impulse buying behavior. The third objective is to determine if bargain shopping and impulse buying directly influences purchase intention towards a private sales site. The fourth objective is to examine how the three consumer shopping characteristics as well as hedonic motivations influence consumers' perceived website quality. Finally, the fifth objective is to examine the influence of consumers' perceptions of website quality on purchase intention.



Above is the proposed model for this study, it will be beneficial to see the model in order to aid in understanding of the literature review, and the model will be explained in more detail in the theoretical framework.

#### **Conceptual definitions**

**Private sales sites**: membership only transaction site specializing in selling discounted luxury products

**Luxury branding:** marketing strategy that places self identification of the brand with the consumer and by communicating concepts of emotion, image, and personality symbolically into the brand identity to gain higher value placement from the consumer

**Luxe bargain shopping**: process that generates value for both the luxury product being obtained and the actual process of obtaining the luxury product at a bargain (Lim, 2009)

**Hedonic motivation:** a type of shopping motivation that emphasized the need for entertainment, emotional, and recreational experience instead of task accomplishment

**Impulse buying**: instant, compelling, emotion oriented behavior in which the impulse decision precludes consideration of choices or alternative (Bayley & Nancarrow, 1998)

**Fashion leadership**: a two dimensional concept containing fashion innovativeness and fashion opinion leadership based on individual perception

**Fashion innovativeness**: likelihood to purchase a new fashion sooner than other consumers (Sproles, 1979)

Fashion opinion leadership: ability or tendency to convey information regarding a new fashion in a way that influences successive purchasers to accept or reject it (Workman & Johnson, 1993)
Perceived website quality: consumer's view of an apparel retailer's website, including reactions towards characteristics such as product information, enjoyment level, and ease of use, etc.

**Purchase intention**: likelihood to buy a product from a private sales site

## Chapter II

## **Literature Review**

#### **Private sales sites**

The old way of finding luxuries for below market value is no more as consumers no longer have to be in major fashion cities to stake out for sample sales, now consumers can find numerous online sample sales sites also known as private sale sites. Luxury sites have been known to lag on the online shopping world. Many brands have shown concern about the integrity of their name being brought down by having an online presence, for instance Balenciaga forbids other companies to sell their products online; however Balenciaga and other companies with similar apprehension toward the internet have no reason for trepidation. These new online sample sale sites have offered a way to rid the companies of the excess merchandise without defiling the brand image (Sherman, 2008). Sites such as Gilt Groupe, Rue La La, Ideeli, and Hautelook among others have embodied the experience of traditional sample sales and have effectively translated it online. These sites have found a way to offer the excitement and adrenaline of traditional sample sales sites, provide high end luxury items, keep the feeling of exclusivity, and allow consumers to feel triumphant when they snag a deal (Miller & Wortham, 2009).

Private sales sites originated in the United States in 2007 with the launching of Gilt Groupe, but since then numerous private sales sites such as Rue La La and Ideeli have emerged. Despite these companies' youth, their sales have exceeded ten million dollars. Private sales sites target aspirational buyers by enticing consumers with highly discounted, alluring merchandise variety and assortment of some of the most well-known luxury brands such as Marc Jacobs and Fendi (Gilt Groupe, 2010; Hautelook, 2010; Ideeli, 2010; Rue La La, 2010).

Private sales sites are similar to the traditional sample sales by organizing the site in a limited time format. Limited time formats give consumers a small opening of time, anywhere between 24 to 48hours, in which the merchandise offered is up for sale. Consumers get a preview of what is going to be offered, but it is just enough to entice the appetite for luxury goods. Private sales sites provide a list of what designers, lines, and collections are going to be on the sales floor, and the date they are offered. However that is all one knows; the actual merchandise offering is still a secret until the clock strikes the designated start time. The products offered by private sales sites vary but are an impressive collection of high end luxury brands. Brand offering differ from site to site so there is never an overflow of the same product. All of the private sales sites offer apparel, but the main difference among each site is the additional product categories that are offered which range from accessories to home furnishings to travel packages (Gilt Groupe, 2010; Hautelook, 2010; Ideeli, 2010; Rue La La, 2010).

Private sales sites' membership is by invitation only. This enables shopping comparison sites and search engines to not be able to access the sales information concerning product offering thus giving consumers and retailers an air of exclusivity. However, getting the official invite is not a hard task to accomplish. Private sales sites membership process can be easy as it varies from having a friend who is already a member invite you into the circle to simply having a valid email address. Some private sales sites offer multi level membership status where the consumers pay a small amount to upgrade their status and receive additional perks such as being able to access the sales an hour early (Gilt Groupe, 2010; Hautelook, 2010; Ideeli, 2010; Rue La La, 2010).

Private sales sites collect information about their members' preferences and shopping patterns in order to maintain sales data which allow them to know numerous valuable factors such as how many consumers continued to look at a specific product after it has been listed as sold out. The companies take all of this information into account and factor it into buying decision making in order to provide more value for the consumer. These companies are on board with technology which is obvious through their websites alone; however, they have established a presence on mobile technology as many of them own an iPhone application allowing their members to never miss a sale (Gilt Groupe, 2010; Hautelook, 2010; Ideeli, 2010; Rue La La, 2010).

While some industry skeptics are not taking private sales sites as a threat, many other retailers are jumping on the luxury exclusive club discount bandwagon. Neiman Marcus among others has tried the private sales format approach. Neiman Marcus took the email format approach and sent only a selected customer base an email informing them of a limited time sales on brands such as Gucci and Dolce & Gabbana; the relief that the private sales sites can take from this is that they are only in the testing phase (Corcoran, 2009). Even eBay is testing this concept as they recently opened 'Fashion Vault' which is similar to private sale sites by offering luxury merchandise at extreme discounts however it is open for all to see. This is their spin on the private sales and it lines them up at direct competition as their products offering are trendy clothes and accessories (D'Innocenzio, 2010). Of course, as well as the threat of comparable sites, there is intense rivalry between companies. These companies are fighting for shares of the

market in addition to the brands assortment and depth and keeping their customers from switching to their competitors (Corcoran, 2009).

The United States' recession has created downfalls for many industries and the luxury industry is no exception. Somewhere in the midst of all of this, private sales companies have found a niche in their unique format, resulting in impressive profits for many companies under five years old. There are some critics; however, who think the success of these companies is due to the recession and that the sites will be a fading trend once the economy bounces back. For now, these private sales companies are succeeding in a fast paced online market. Private sales sites can serve as an example of a success luxury online market, and luxury brands can take a lesson or two.

#### **Fashion leadership**

Fashion leadership is one of the main ways new fashion is eventually accepted by the masses as fashion leaders lay the foundation for initiation and acceptance of the fashion. Fashion leadership can be broken down into two categories: fashion innovativeness and fashion opinion leadership. Fashion innovativeness has been defined as the likelihood to purchase a new fashion sooner than other consumers (Sproles, 1979) whereas fashion opinion leadership is defined as the "ability or tendency to convey information regarding a new fashion in a way that influences successive purchasers to accept or reject it (Workman & Johnson, 1993, p64)." Consumers with high levels of fashion innovativeness are among the first to wear a new fashion (Goldsmith & Stith, 1993; Goldsmith, Moore, & Beaudoin, 1999; Sproles, 1979) whereas consumers with high level of fashion opinion leadership are more apt to persuade the masses through communication usually during social groups or media/ popular culture outlets where they can discuss why the fashion is acceptable (Sproles, 1979). Thus the two are mutually exclusive (Kang & Park-Poaps,

2010; Workman & Johnson, 1993). On the other hand a study done by Gordon, Infante, and Braun found the two, fashion innovativeness and fashion opinion leaders to be highly correlated with little difference between the two. For the purpose of this research, fashion leadership will consists of both fashion innovativeness and fashion opinion leadership. Keeping both of these dimensions will allow one to see if one is more significant than the others in influencing intention to purchase from private sales sites.

Consumers with high levels of fashion leadership are more involved in fashion, enjoy shopping often, are not price conscious, and are not practical about their purchases (Goldsmith & Stith, 1993; Gutman & Mills, 1982). Fashion innovators are more likely to shop at specialty stores and departments stores whereas non-fashion innovators are more price conscious and tend to shop at discount stores (J. Lumpkin & McConkey, 1984). Private sales sites in their nature can be more comparable to some specialty stores as the items they offer are unique, limited, and items offered on their site cannot be found by a search engine; however private sales sites are similar to discount stores in the manner that the merchandise offered is discounted to a degree. Because of the unique nature of these websites and also given that there is no empirical research studying fashion leadership and shopping at private sales websites, it will be of interest to investigate how these two dimensions of fashion leadership would be related to intention to purchase from private sale websites.

#### **Fashion leadership and shopping motivations**

Over the years, many researchers have critically contended that fashion behaviors are rooted in emotional and psychological motivations, and that by understanding these motivations, it could advance our understanding of fashion leadership (Goldsmith & Flynn, 1992; Goldsmith, Flynn, & Moore, 1996). One aspect the numerous motivations research has focused on is shopping motivation. Researchers agree to a point that two main causes of shopping motivations are utilitarian and hedonic factors. With regards to shopping motivations and fashion leadership, a concrete connection has not been identified; however, several studies have shown that there is a relationship between these two shopping motivations, utilitarian and hedonic and fashion leadership (Gutman & Mills, 1982; Hausman, 2000; Kang & Park-Poaps, 2010; Phau & Lo, 2004).

Kang and Park-Poaps' (2010) study aimed to see if there were any distinctive difference in each of the dimensions of fashion leadership, innovativeness and opinion leader. The samples consisted of college students in the southeastern part of US with a textile major. They used this sample based on finding from previous studies that stated these students tended to be more involved with clothes and clothing behavior than those in other majors. From this sample, they found that fashion innovativeness was related to hedonic motivations, but that fashion opinion leadership was not associated with hedonic motivation but highly related to utilitarian motivations. This suggested that hedonic motivations such as adventure seeking explain why consumers who can be categorized as innovators are among the first to try a new fashion, whereas, the opinion leaders are more oriented to achieving their goals and the efficiency of the process are related to the utilitarian aspects of shopping.

On the other hand, Michon, Hong, Smith, and Chebat (2007) found there was a relationship between fashion leaders and hedonic motivations. In their study, they looked at the effect of hedonic and utilitarian shopping motivations on female shoppers in a mall environment. Their sample consisted of females intercepted at a mall in Montreal, Canada that catered to the urban middle class. Their findings showed a strong influence of hedonic motivations on the experience and on customer loyalty for fashion leaders in comparison with non-fashion leaders.

In their study, there was a direct relationship from mall perception to hedonic values without the need of mediating mood variables. They also found that fashion leaders spent a lot of time and were more involved in the shopping process and thus were more likely to engage in cognitive processes. This cognitive processing is believed to stimulate the high levels of hedonic tendencies in fashion leaders.

Michon et al. (2007) and Kang and Park-Poaps (2010) found different results between hedonic motivations and fashion leadership. Michon et. al found a relation between hedonic motivations and fashion innovators whereas Kang and Park-Poaps did not find a significant relationship between fashion leadership and hedonic motivations. One of the main reasons could be the difference of scales used to measure fashion leadership. Michon et al measured only the fashion innovator dimension of fashion leadership whereas Kang and Park-Poaps measured both dimensions of fashion leadership. Another reason for the difference in results could be the sample obtained for experimentation. Michon et al.'s sample consisted of all females regardless of age intercepted at a mall whereas Kang and Park-Poaps utilized college females within the ages of 18 to 25years old. It could also be due to the location in which the sample was taken; Kang and Park-Poaps sample was gathered in the southeastern United States where the native language is English. Michon et al's study was done in Montreal, Canada where the residents may speak two languages, English and French which may have influenced the way the respondents understood and answered the survey.

These studies showcased relationships between fashion leadership and two forms of shopping motivations, hedonic and utilitarian. Michon et al. (2007) found that there was a direct significant relationship between fashion leaders and hedonic motivations without the need for any mediating variables. Kang and Park-Poaps (2010) found that fashion leaders were not

related to hedonic motivations but to utilitarian motivations instead whereas hedonic motivations were significantly related to fashion innovators. While none of these studies sample selections were similar they all proved one thing, hedonic and utilitarian motivations are indeed related to both aspects of fashion leadership. What remains to be determined though is concrete ties to see if one type of motivations affects a particular dimension of fashion leadership more. To this point, there is not a consensus (Kang & Park-Poaps, 2010; Michon, et al., 2007).

Based on the discussion of the two dimensions of fashion leadership and their relationship to shopping motivations, the following hypotheses were produced:

H1: There is a positive significant relationship between fashion leadership and hedonic shopping motivations for private sale sites' members.

H1a: Fashion opinion leadership is significantly related with hedonic shopping motivations for private sale sites' members.

H1b: Fashion innovativeness is significantly related with hedonic shopping motivations for private sale sites' members.

### **Impulse buying**

Impulse buying has been defined as an instant, compelling, emotion oriented behavior in which the impulse decision precludes consideration of choices or alternative (Bayley & Nancarrow, 1998). Rook (1987) defined it as relentless urge to buy an item instantly. Impulse buying can be classified into the following four categories: planned, reminded, fashion-oriented, and pure (Han, Morgan, Kotsiopulos, & Kang-Park, 1991). Fashion-oriented impulse buying occurs when a consumer is aware of the latest fashion' design or style or when after seeing a new fashion product and buy it. Because of the nature of private sales sites, in the manner that they house some of the most well known designer brands and focus on some of the top styles and

design of the moment, and function in a way that the merchandise is constantly changing much like the fashion world around us, impulse buying can be considered another important variable that may affect intention to purchase from private sales websites.

H2: There is a positive significant relationship between impulse buying behavior and intention to purchase from a private sales site.

#### Impulse buying and shopping motivations

Overall, there is little research that focuses on relationships between shopping motivations, specifically hedonic motivations, and impulse buying. Most of the past research concerning impulse buying has dealt with evaluating the after effects of the behavior (Hausman, 2000; Rook, 1987). However, recently studies have investigated impulse buying as a positive activity instead of the negative behavior it has been associated with. One of the attributes that positively affects impulse buying is hedonic motivation (Hausman, 2000). Researchers have studied what type of hedonic factors influence or stimulate impulse buying and found that impulse buying fulfills hedonic needs for fun, social interaction, and gratification (Hausman, 2000; Piron, 1991). Very few have examined shopping motivations influencing impulse buying in an internet setting. Private sales sites' merchandise offering changes on a daily basis and do not know exactly what products will be offered thus private sales sites may stimulate impulse buying. Consumers only know the brands the products will be from and they get a week notice of the brands coming to the site in advance. Thus planned purchases cannot be granted due to the nature of the site.

The study by Park, Kim, and Forney (2006) focused on causal relationships among fashion involvement, positive emotion, hedonic consumption tendency, and fashion oriented impulse buying. Their sample consisted of college students at one university in the metropolitan southwestern United States. They chose this sample due to the high emphasis this age group put on clothing. The majority of their sample was Caucasian females between the ages of 21 to 24 who spend less than two hundred dollars a month on clothing and accessories. Park and her colleagues did not find a significant relationship between hedonic consumption tendency and impulse buying. Because hedonic consumption was found to be positively significantly related to positive emotions and positive emotion was significantly related to impulse buying, an indirect relationship between hedonic consumption tendency and impulse buying through the mediating variable, positive emotion was established (Park, et al., 2006).

Hausman's (2000) research aimed to explore how hedonic motivations impacted impulse buying behavior. She proposed that consumers shop to satisfy needs that are not related to the usefulness of the products. Thus the actual shopping trip satisfies needs such as the desire for fun; therefore, the products purchased during these trips are unplanned and can be deemed impulsive. Hausman also proposes that consumers may impulsively purchase products that were not planned but did meet a particular need. The study employed both qualitative and quantitative test measures to investigate the proposed research questions. To detect the variety of hedonic factors that motivated impulse behavior, Hausman conducted 60 semi structured interviews, and through the interviews three main hedonic needs were identified, fun, novelty, and surprise. The interviews confirmed the proposition that consumers shop to satisfy needs beyond obtaining a specific product. The goal of these consumers was all about the experience obtained while shopping, and this experience satisfied those hedonic desires thus any purchases made were impulsive (Hausman, 2000).

Hausman (2000) also conducted a quantitative analysis based on data collected from a convenience sample of 272 consumers without any focus on demographic variables. The

questionnaire yielded the same conclusions as the interviews. Hausman found that consumers who show impulsive characteristics are more likely to shop for hedonic reasons than those who do not show impulsive tendencies.

A study by Park, Kim, and Forney (2006) concluded that hedonic consumption only related to impulse buying through the mediating variable of positive emotion. Positive emotion was found to have a significant relationship to hedonic consumption and to impulse buying. In other words hedonic consumption can be satisfied through positive emotions which lead to a higher likelihood of engaging in impulse buying behavior. Hausman's study explained that consumers purchase goods for reasons beyond economic need. It was concluded that fun, novelty, and surprise were some of the major hedonic factors that influenced consumers shopping and not the need of the product. In other words, fulfilling hedonic desires results in impulse purchasing behavior because any product bought was unplanned (Hausman, 2000).

From the discussion on impulse purchasing behavior and shopping motivations, the following hypothesis was generated:

H3: There is a positive significant relationship between impulse buying and hedonic shopping motivations for private sale sites' members.

#### Fashion leadership and impulse buying

Phau and Lo's (2004) research examined fashion innovators with respect to their demographic make-up, concept of self, tendency for impulse purchase behavior, and their impulse behavior online. Two hundred and twenty-five participants were intercepted at an urban mall in Western Australia. The majority of the participants were 35 or younger, female, educated, and earned an annual income of AUD\$59, 999 (approx. USD \$46,000). Phau and Lo's research claimed to look at fashion innovators; however, what they actually tested for was both fashion opinion leader and innovators, but grouped them as one variable. According to Roger's diffusion of innovation model, the top 16% of the population are fashion innovators and leaders; therefore Phau and Lo used 22 as the cutoff point of the Domain Specific Innovativeness Scale which in turns identifies the top 16% of respondents thus accepting the Gordon et. al (1985) theory that there's an overlap between the two dimensions. Their analysis of the results is more representative of fashion leadership as a whole and not just one dimension. The researchers found a direct but weak relationship between impulsiveness and fashion leaders.

The researchers also investigated whether fashion leaders would impulse buy online based on five questions concerning using the internet as a communication tool to target fashion leadership. One hundred and fifty eight (70%) of the fashion leaders respondents had Internet access at home. From the 158 respondents, 54 had purchased online and only 20 had made fashion related purchases online. Seventy percent of the non-leaders respondents who had Internet access at home had never made an online purchase. Thus Phau and Lo concluded that leaders who had made purchases online are more likely to not purchase fashion merchandise online than non-leaders (Phau & Lo, 2004).

Although the relationship between two variables has not been extensively tested Phau and Lo have supported that fashion leadership is directly related to impulsive buying. Therefore, it is proposed:

H4: There is a positive relationship between fashion leadership and impulse buying for private sale sites' members.

H4a: There is a positive significant relationship between fashion innovativeness and impulse buying for private sale sites' members.

H4b: There is a negative significant relationship between fashion opinion leadership and impulse buying for private sale sites' members.

#### **Bargain shopping**

Bargain shopping has long been associated with an economical perspective thus being associated with price promotions and discounts. Darke and Dahl, (2003) however, take bargain shopping a step further and define it as the emotional experience consumers have when getting a discount. With this definition, bargain shopping goes beyond it normal realm of economic influence. In an experiment where the participants were asked to return the money saved they obtained through bargaining, consumers' satisfaction was still guaranteed. Once again value beyond financial were achieved (Darke & Dahl, 2003). For luxury consumers, bargain shopping is a way to measure how much they have won in the game of bargain shopping; therefore, for luxury consumers it is not about the financial savings but the thrill of the hunt (Danziger, 2005). Lim(2009) coined the term luxe-bargain shopping and defined it as a process that generate value for both the luxury product being obtained and the actual process of obtaining the luxury product at a bargain.

Schindler (1998) examined bargains (in terms of price promotion) to give light to noneconomic motivations and to attempt to understand the nature of it. Two studies were involved. The first study analyzed consumers reporting's of actual purchases achieved at a bargain whereas the second was more experimental in nature. The first study distributed questionnaires to 202 respondents from women's church social groups in the middle income areas of a large metro area. The respondents were asked to reference their most recent purchase discount and answered questions that measured price satisfaction, size of the discount, consequences obtained, and responsibility of the discount. The second study used a projective method of experimentation by providing the respondents with scenarios in which they were to respond via questionnaire as to how they believed the person in the scenario would feel. The questionnaire measured good feelings, pride, gratitude, telling others, and repeat purchases. The sample consisted of 148 women from church social groups in a middle income area of a large metro city (Schindler, 1998).

Schindler (1998) determined that discounts that were seen as internally caused, consumer feelings of responsibility for obtaining the bargain resulted in more positively than discounts that were attributed externally, lack of prior knowledge of the bargain. In other words, if the consumer feels responsible for obtaining the discount then they exhibit more positive feelings. It was also found that behavioral actions of the discount are heightened when consumers feel responsible for the bargain. Additionally both studies showed high correlations between pride and satisfaction thus emphasizing a non-economical or task oriented aspect of bargain shopping

Cox, Cox, and Anderson (2005) examined the sources of shopping pleasure from consumers as well as how the different pleasures varied among consumer demographics. The sources for pleasured discussed by the researchers were social interaction (mingling with other consumers), bargaining shopping, browsing, sensory stimulation, getting papered, and kinesthetic. One thousand three hundred and sixty nine women from various organizations in a Midwestern metropolitan area were surveyed. It was found that out of the six different sources of pleasures while shopping, bargain hunting was the most significant by a wide margin over the other factors. Almost three quarters of the respondents showed some aspect of enjoyment for bargain shopping. Furthermore, bargain shopping has been in the past associated with middle class consumers due to the high value of price saving; however, Cox et al discovered within their research that bargain shopping was not limited to a specific income class but that it was significant across the board with the lowest level of significance indicated for the highest income level of greater than 110,000. In addition, bargain shopping was also found to be the factor most enjoyed by the affluent class over the other sources of shopping pleasure analyzed. Cox et al proposed that the broad appeal of bargain shopping could be the reason for the high levels of promotional appeals recently.

Both Schindler (1998) and Cox, Cox, and Anderson (2005) have proposed that bargain shopping occurs for reasons beyond the economical value that has been associated with it in numerous past researches. Schindler noted feelings of pride and satisfaction from the consumers experience with bargain shopping, and more positive feelings were evoked from consumers if they felt responsible for the bargain. Cox et al also noted feelings of enjoyments expressed by bargains shopping and discovered it to be the main source of pleasure from store shopping. While both studies took differing approaches to analyzing other reasons for bargain shopping, both concluded that bargain shopping was not motivated solely by a need for economic value (Cox, Cox, & Anderson, 2005; Schindler, 1998). Therefore, it can be proposed:

H5: There is a positive significant relationship between bargain shopping and hedonic shopping motivations for private sale sites' members.

Lim (2009) examined the concept of luxe-bargain shopping placing emphasis on the relationship between consumer orientation and perceived product and process value, perceived value predicting satisfaction, and the influence of perceived value and satisfaction on future behavioral intentions. Lim surveyed 500 respondents who have purchased a luxury product, limited to apparel and accessories, at a bargain price in the past 12months. The respondents in this study covered a larger range of income level with almost 50 percent (Lim 2009) having

income levels less than US\$70,000 thus adding to the suggestion that bargain shopping is enjoyed at all income levels.

Both luxury and bargain-related consumer orientations were found to influence perceived value. Lim suggest that this could indicate that consumers enjoy being able to purchase high quality and high priced luxury goods at a good deal, not cheap luxury products. The researcher found that both bargain and luxury related consumer orientations were important predictors of satisfaction and purchase intention. The value gained from bargain shopping process, a transactional value, as well as social and emotional values was deemed to be a determinant of satisfaction. In turn, satisfaction significantly influenced purchase intention at a bargain price. Perceived values did not directly influence purchase intention but did through the mediating variable of satisfactions which in past research have been found to a well established connection (Lim, 2009).

Because private sales sites can be considered a venue for luxe bargains shopping to occur, it can be proposed:

H6: Bargain shopping influences purchase intention at private sales sites.

#### Perceived retail website quality

Perceived quality of a retail website constitutes a consumer's perception of the retailer's website and includes consumer reactions towards characteristics such as product information, enjoyment level, ease of use, how it handles transactions, and its design. It is a multi-dimensional concept with the dimensions ranging anywhere between five and twelve for transaction sites (Loiacono, 2000). The characteristics that are deemed important for website quality have been proposed to vary (Elliot & Fowell, 2000) since the information and relationship preferred by a consumer can differ by product or service (Burke, 2002).

Lynch, Kent, and Srinivasan (2001) focused on identifying features that stimulate behavioral intention, specifically purchase and loyalty intention in an online context. In addition, the researchers examined differences among features that were deemed as important across several areas of the world. Two hundred and ninety nine participants from various parts of North America, Western Europe, and Latin America took part in an experiment where each respondent was asked to pretend to be a purchasing agent for a consulting company, and to use the internet to research and select a web store and CD player that to them displayed the best overall value. The experiment was then again repeated using T-shirts.

It was determined that the influence of trust, affect, and site quality differed among product category as well as region. For North America, trust was the only significant factor that influenced purchase intention for CD players; however, T-shirts showed significance for trust, affect, and site quality thus all having an impact on purchase intention. In none of the regions was site quality significant for purchase intention of CD players; however, site quality was only non significant for T-shirts in Western Europe. Thus the researchers propose that site quality is more important for retailers with high touch goods such as apparel (Lynch, Kent, & Srinivasan, 2001).

Jones and Kim (2010) examined the influence of brand trust, off line patronage, clothing involvement and website quality on online apparel shopping intention. The researchers focused on apparel multi channel retailers such as Banana Republic and Urban Outfitters. Two hundred female college students in the southern area of the United States were surveyed. The majority of the respondents were Caucasians between the ages of 18 and 25 with a monthly expenditure less than 1000 dollars.

All three aspects of website quality (usability and information quality, visual appeal and image, and interactivity and innovativeness) were found to be significantly related to brand trust and clothing involvement; however only the visual appeal and image factor of website quality was related to offline patronage. Two factors, usability and information quality and visual appeal and image, of website quality were found to be significant predictors of online apparel shopping intention. Interactivity and innovativeness was the only factor that did not significantly influence online apparel intention. Usability and information quality was the most significant factor to predict shopping intention. The researchers suggest that this may be because interactivity and innovativeness is important to entice the consumer to the site but is not necessarily enough to influence shopping intention (Jones & Kim, 2010).

Jones and Kim (2010) and Lynch, Kent, and Srinivasan (2001) analyzed consumers' perception of website quality and how it influenced purchase intention. Lynch et.-al. examined how different product categories in different regions of the world perceive website quality and its influence on purchase intention where as Jones and Kim observed how different factors of a multi channel retailer would influence perception of website quality and its relationship with purchase intention. Lynch et.-al. only focused on the design aspect while Jones and Kim viewed three aspects of website quality, usability and information quality, visual appeal and image, and interactivity and innovativeness. Another difference is Lynch et-al. focused on two products, CD players and a t-shirt whereas Jones and Kim examined apparel as a whole. Despite their differences, both found website quality to be a factor in influencing purchase intention on some level.

Private sales sites while offering many product categories focus mainly on apparel and accessories and have a website layout that differs from typical online apparel site. Because of

features specific to private sale site such as the time constraint for shopping carts and various methods of interacting with company via blogs, email, telephone, and social networks, it is proposed that:

H7: Consumers' perception of website quality influences online purchase intention from private sales sites.

#### Consumer characteristics and perceived website quality

Shopping orientation are patterns including consumers' activities, interest, and opinions that influence consumers' shopping process (Moschis, 1992). It can be used to represent the motivations behind the shopping process. Research on brick and mortar stores have shown that consumers with different orientation place different values on store attributes which influence their behavioral intention and patronage (Lumpkin, Hawes, & Darden, 1986). The perception of the store attributes for consumer orientations have been examined by using the attitude toward the behavior (Engel & Blackwell, 1982). However little research has been done that examines how individual characteristics such as shopping tendencies and motivations perceived website quality. In other words, there is a lack of research of consumer characteristics in an online store environment. A store's website becomes the shopping environment online and has similar attributes as a traditional brick and mortar store

Moye and Kincade (2003) analyzed differences in shopping orientation segments in relation to store patronage, attitude toward the store environment, and demographic characteristics. The segments analyzed included highly involved bargain apparel shoppers, extremely involved conscious apparel shoppers, confident apparel shoppers, and decisive apparel shoppers. Their segments were determined using cluster analysis. The sample surveyed consisted of 151 women over the age of 18. The attitude toward store environment was evaluated by store attributes perceptions. The store environments identified were department, specialty, and discount. Respondents were asked to consider their first store choice (68% were department stores) for buying a specific apparel item to wear to one of three occasions (formal event, family social, or work/community related gathering) and then rated various environmental dimensions (Moye & Kincade, 2003).

Moye and Kincade found that bargain shopping oriented consumers had rather unfavorable attitudes towards the store environment. They proposed that this could be due to bargain shoppers placing more emphasis on obtaining a deal or price cut rather than the atmosphere of the store. The researchers also found that the extremely involved conscious apparel shopper was similar to previous findings from Gutman and Mills (1982) and Lumpkin (1985). These shoppers showed aspects of fashion leadership as this segment focused on high concern about appearance, kept up with fashion trends, and felt that their dress shaped their reputation. The extremely involved appearance conscious segment also had an unfavorable attitude towards the store environment. This could be due to the high emphasis placed on appearance therefore the appearance of department store employees could be too similar. The researcher suggests that specialist of particular areas such as Ralph Lauren Polo should wear the store merchandise to aid in more favorable attitudes of store environment instead of being in a generic uniform (Moye & Kincade, 2003).

Shergill and Chen (2005) examined the factors that consumers keep in mind while shopping online as well as how different types of online buyers perceive websites. The four types of online buyers compared were trial, occasional, frequent, and regular. The four factors that influenced perception were website design, reliability/ fulfillment, customer service, and security/ privacy. One hundred and two New Zealand residents in the city of Auckland who had experience with online shopping were surveyed. The sample was almost evenly split between males and females. The researchers found that each group perceived the website factors quite differently. It was determined that regular online buyers had the most favorable perception of website factors whereas trial buyers had the least favorable perception of website factors (Shergill & Chen, 2005).

Moye and Kincade's (2003) study was conducted in a brick and mortar store whereas the study by Shergill and Chen (2005) whereas the other was conducted online. However both studies showed that individual characteristics perceived the attributes of the environment in which they choose to shop differently. Although little research has been done to further strengthen the relationship between individual characteristics and attributes of the shopping environment especially in the online shopping realm, it can be assumed that there will be a connection between individual characteristics of a consumer and how they perceive the environment in which they shop. Even though fashion leadership is not a distinct shopping orientation, this individual characteristics may also affect a shopper's perception of private sales website due to the overall high quality fashion merchandise provided and trend setting variety and assortment. Thus it is proposed:

H8: Shopper characteristics significantly influence perceived website quality of private sale sites.

H8a: Hedonic motivation significantly influences perceived website quality of private sale sites.

H8b: Fashion leadership significantly influences perceived website quality of private sale sites.

H8c: Impulse buying significantly influences perceived website quality of private sale sites.

H8d: Bargain shopping significantly influences perceived website quality of private sale sites.

# Chapter III

# **Theoretical Framework**

The purpose of this study is to determine individual characteristics that influence consumer perceived website quality and purchase intention towards private sales sites. The study also analyzes the relationship between hedonic motivation and consumer shopping traits. Five independent variables were selected to examine these relationships. After studying previous literature on consumer shopping characteristics and motives, website quality, and shopping intentions online, a model was developed to test the proposed relationships. Two models that contributed to the theoretical model proposed in this study are Engel, Kollat, and Blackwell's consumer behavior model and Ajzen and Fishbein's theory of reasoned action.

One of the theories that contributed to the proposed model is the Engel, Kollat, and Blackwell (EKB) model of consumer behavior (Engel & Blackwell, 1982). This model (Figure 1) focuses on the individual aspect of consumer decisions and views it as a process instead of a solitary act. Much importance is placed on how the consumer comes to the decisions as well as the actual decision, specifically what variables could influence purchase intention. The EKB model proposes that the product evaluation factor which leads to purchase intention are composed of several vital components such as beliefs, attitudinal and evaluative criteria. Furthermore, evaluative criteria are influenced by individual characteristics, lifestyles, motives, norms, values, and reference groups. Based on this model, the proposed model incorporates the influences of evaluative criteria specifically motives and individual characteristics and their relationship to attitude and intention. Therefore it is proposed that consumers shopping characteristics will influence their attitude toward a website thus affecting purchase intention.

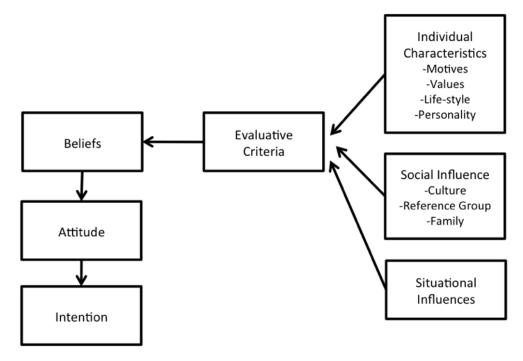


Figure 1. Partial Model of Engel, Kollat, and Blackwell's Consumer Behavior Model. Source: Engel & Blackwell, 1982

To strengthen the proposed model, Ajzen and Fishbein's theory of reasoned action (Figure 2) was also taken into account (Ajzen & Fishbein, 1980). It is based on the notion that individuals are rational and make systematic use of accessible information. According to their theory, behavioral intentions are based on two factors: attitude and subjective norm. The proposed model focuses on the attitudinal influence on behavioral intentions. Ajzen and Fishbein argue that attitude toward the specified behavior is composed of two elements: performance of the behavior which has distinct attributes and the evaluation of performing the specified behavior. When their concept of attitude is applied to attitude toward a shopping environment (beliefs) and 2) importance of those attributes (evaluative criteria). Utilizing Ajzen and Fishbein's conceptualization of attitude, in this study attitude toward a

private sales site (or perceived website quality) will be computed by multiplying beliefs and evaluative criteria.

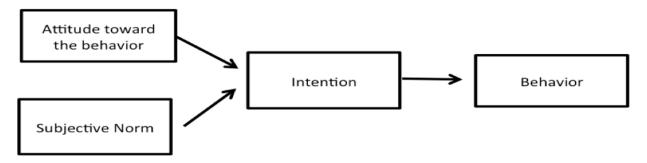


Figure 2: Theory of Reasoned Action. Source: Aizen & Fishbein. 1980

Loiacono (2000) developed an instrument based on the theory of reasoned action and the technology acceptance model in which to measure 12 dimensions of website quality. These components' are distinct and can measure web site effectiveness overall and influence on consumers indentation to purchase or revisit. Loiacono et al (2002) grouped the 12 dimensions into five higher order categories. Loiacono's scale created the variable in the proposed model called perceived website quality and was used to analyze consumers' attitude toward private sales sites. Since a model was not provided in Loiacono's study, one was developed to show the dimensions relationships to website quality (Figure 3).

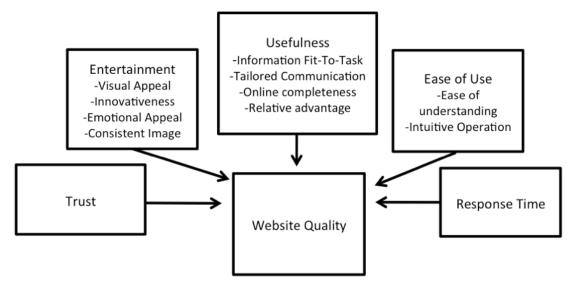
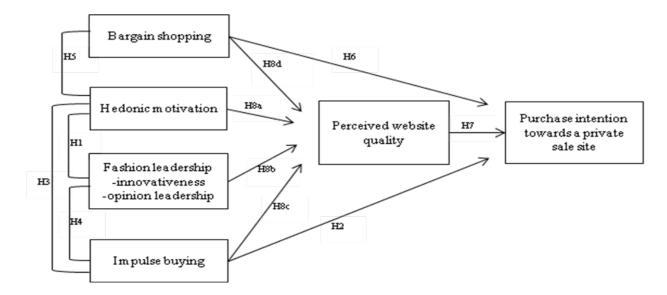


Figure 3: WebQual<sup>™</sup> Categorized Dimensions. Source: Loiacono et. al, 2002

The model developed for this study (Figure 4) can be grouped into three distinct levels which work together to influence purchase intentions toward private sales sites. The first level includes individual characteristics which are identified in this study as hedonic motivation, fashion leadership, impulse buying, and bargain shopping. This first level is projected to influence evaluative criteria and beliefs about their shopping environment. Attitude, a combination of evaluative criteria and beliefs, is the second level of the proposed model. A consumer's attitude toward a website is projected to vary by individual characteristics. Attitude towards a website in this proposed model was measured by perceived website quality. Depending on how individual characteristics measure the dimensions that constitute quality of a private sales website, consumers will form either a favorable or unfavorable perception of the website attributes. The final level of the proposed model is purchase intention. Therefore, a consumers intention to purchase from a private sales sites will have a higher likelihood if consumers' shopping characteristics posses a favorable attitude toward the perception of the website's quality, and likewise, if consumer's shopping characteristics display unfavorable attitudes towards perceived website quality, a negative likelihood for purchase from a private sales site will result.



# **Chapter IV**

# Methodology

Chapter four explains the methods that were used to collect the data for the research. First, this chapter identifies the methodology selected and the instrument used for the study. Next, a brief explanation of how the data was analyzed is presented. Finally, the data collection process is explained.

#### **Instrument development**

With approval from the University of Georgia's Institutional Review Board the data for this study was collected by employing an online survey methodology. Using an online survey has numerous advantages. Conducting an online survey not only saves on printing and mailing cost, (Dilliman, 2000) but also reduces coding errors in the data since many survey platforms code the data while respondents are answering and allow the completed surveys to be downloaded via an external platform such as excel (Zhang, 1999).

The study focused on the several factors that impact purchase intention toward private sale sites. The survey designed for this study measured six variables: hedonic motivation, impulse buying, fashion leadership, bargain shopping, perceived website quality, and purchase intention. Demographic information was also included in order to obtain the background of the participants.

All variables were measured using previously developed scales that were slightly adapted in wording to better suit this study. Some variables (fashion leadership, bargain shopping) were created from a combination of scales.

Fashion leadership measured two dimensions, fashion opinion leadership and fashion innovativeness. Fashion opinion leadership was measured with six items developed by Flynn, Goldsmith and Eastman (1996) such as "Other people come to me for advice about choosing fashionable apparel," and fashion innovativeness was measured with six items developed by Goldsmith and Hofacker (1991) such as "I will consider buying a new fashion, even if I have not heard of it yet" on a seven -point Likert scale (1=strongly disagree; 7=strongly agree).

Impulse buying was measured with seven items developed by Rook and Fisher (1995) on a seven-point Likert scale (1=strongly disagree; 7=strongly agree). Bargain shopping was measured using three items adapted from Cox, Cox, and Anderson (2005) and one item developed by Lim (2009) (1=strongly disagree; 7=strongly agree). Hedonic motivations were measured using five items developed by Babin, Darden and Griffen (1994) (1=strongly disagree; 7=strongly agree).

Website quality was measured using 16 questions adapted from Kim and Stoel (2006). These questions were asked twice, the first time from a belief perspective on a seven-point Likert scale (1= strongly disagree; 7=strongly agree) and the second time from an evaluative criteria view point where 1=not important and 7= very important.

Purchase intention was measured using three items adapted from Lim (2009) on a sevenpoint Likert scale (1=strongly disagree; 7=strongly agree). The survey ended with demographic questions including age, income, and ethnicity, frequency of online shopping, and the number and names of private sales sites that the respondents were familiar with. A pilot study was conducted to aid in the ease of understanding and development of the survey instrument. The objective of the pilot study was to make sure the questions being proposed were interpreted correctly in meaning as well as to make sure the survey's logic was running smoothly. Twelve people completed the pilot survey online and their responses prompted change to the following two questions: "Compared to other things I could have done, the time spent shopping was truly enjoyable" to "Compared to other things I could have done, the time spent shopping is more enjoyable" as well as "The probability that I would consider buying luxury merchandise from a private sale site is high" to "The probability that I would consider purchasing luxury merchandise from a private sale site is high." The responses from the pilot survey also showed a need to make a more distinguishing difference in direction change. Therefore for each new section presented, the survey was marked with transitional words such as "in this section" and "for the next section."

Survey participants in the beginning of the survey were asked to identify all private sale sites that they were a member of. Then prior to the completion of the section for perceived website quality, respondents were asked to name the private sale site they were most familiar with and to keep this site in mind when answering the questions followed.

#### **Data collection**

The sample for this research included females age 18 and up who are a member of at least one private sale site. Participants were recruited mainly by using a snowball methodology which relies on word of mouth to accumulate numerous respondents. The researcher sent the link for the survey out to several associates asking them to participate in the survey if they are qualified and to pass the survey on to other associates. The researcher also conducted snowballing by posting the survey link on a personal facebook page as well as the facebook pages for several private sale sites such as Gilt Groupe, Rue La La, and Hautelook. Twitter was also utilized to aid in snowball recruiting. The sample for this study targeted female private sale sites' members; having purchased an item from a private sale site was not a requirement for participation.

#### Data analysis

The data were analyzed using three statistical methods: factor analysis, correlations, and multiple regressions. Reverse coding on specific questions were made before any of the data was analyzed. Descriptive statistical analysis was conducted to determine demographic variables as well as means and standard deviations for the factors. Factor analysis was used in order to determine if fashion leadership consisted of two distinct dimensions and also to identify different dimensions for website quality. Correlations analyses were used to examine existing relationship for H1, 3, 4, and 5. Multiple regressions were used to analyze the influences of each consumer shopping characteristics on website quality (H8), and to examine the factors that influence purchase intention (H2, H6, and H7).

# **Chapter V**

# Results

The data was collected through the online survey program Survey Monkey and was then analyzed using SPSS software. Descriptive statistics, factor analyses, reliability test, correlation analyses, and regression were performed on the data. Out of an initial 214 surveys, only 164 surveys were found to be useable. Fifty surveys were discarded due to respondents' failure to complete the questionnaire beyond initial screening sections.

#### **Participant demographics**

The final section of the survey gathered demographic information about the respondents. The demographic information obtained was gender, age, annual income, ethnicity, frequency of visits to private sale site and can be seen in Table 5.1. Overall, 58.2% of respondents' ages ranged between 18 and 24 followed by the age range of 25-34 (27.4%). The remaining four age groups (35-65+) encompassed the remaining 14.4% of respondents. Approximately, three quarters (74.5%) of respondents were White/ Caucasian followed by 7.6% of respondents being African American. The remaining 17.9% of respondents were composed of Hispanic, Asian/ Pacific-Islander, and multi-racial ethnicities. The household income frequencies revealed that 20.7% of the respondents took in less than \$10,000 annually; however the frequencies also showed that 20.7% of respondents earned \$130,000 or more annually. Additionally, 14.5% reported incomes between \$10,000- \$29,999; 16.6% of respondents reported annual household incomes setween \$30,000-49,999, and the remaining 27.6% of respondents held incomes

ranging from \$50,000-\$129,999 annually. Finally, 39.7% of respondents visited private sale sites on a daily basis followed by 20.5% of respondents visiting private sale sites two to 2-3 times a week. Approximately 17.1% of respondents reported visiting the sites weekly, and 12.3% of respondents visited 2-3 times a month.

		Frequency	Percentage (%)
	18-24	85	58.2
	25-34	40	27.4
Age	35-44	10	6.8
	45-54	7	4.8
	55-64	2	1.4
	65+	2	1.4
Gender	Female	164	100
	White/ Caucasian	108	74.5
	African-American	11	7.6
	Hispanic	9	6.2
Race	Multi-racial	8	5.5
	Asian/ Pacific Islander Native- American	9	6.2
	Indian	0	(
	Other	0	(
	less than \$10,000	30	20.7
	\$10,000-\$29,999	21	14.5
	\$30,000-\$49,999	24	16.0
Income	\$50,000-\$69,999	10	6.9
meome	\$70,000-\$89,999	12	8.3
	\$90,000-\$109,999	9	6.2
	\$110,000-\$129,999	9	6.2
	\$130,000 or more	30	20.7
	Daily	58	39.7
Freq. of	2-3 times a week	30	20.5
Access to Private Sale	Weekly	25	17.1
Sites	2-3 times a month	8	12.3
	Once a month	15	10.3

Table 5.1Demographic Profile of Sample

As a part of the screening process, respondents were asked to mark all private sales sites in which they were a member of. While numerous sites were named, later on when respondents were asked to name the site in which they were most familiar with being a member of, the listed was greatly reduced. The top three sites the respondents were most familiar with were Rue La La (34.6%), Gilt Groupe (27.5%), and Hautelook (15.0%). A little over five percent of respondents named sites other than the ones listed, most of these sites focused on one specific product category such as baby clothes or furniture or the sites listed were sites with a rather small following in comparison to the others. Around 5% of respondents stated multiple sites of the ones listed previously; all of these respondents listed at least one of the following three, Rue La La, Gilt Groupe, and Hautelook, as one of the multiple sites they were most familiar with. The remaining 12% of respondents listed sites other than the ones listed. The exception was The Top Secret, Editor's Closet, SeenOn, Ivory Trunk, Avelle, and Row Nine as no respondent listed these.

Familiarity		
	Frequency	Percentage (%)
Rue La La	53	34.6
Beyond the Rack	5	3.3
Gilt Groupe	42	27.5
Lucky Chic	1	0.7
Hautelook	23	15
Swirl	1	0.7
Gomatta Girls	1	0.7
Ideeli	7	4.6
Net-A-Porter	3	2
Other	9	5.9
Multiple	8	5.2

Table 5.2 Private Sales Sites

#### **Factor analyses**

The scales for fashion leadership and for website quality were proposed to be composed of multiple dimensions. In order to verify that there were indeed multiple dimensions and to determine which items composed each dimension factor analysis was performed. The results indicated that indeed fashion leadership and website quality were composed of more than one dimension.

Fashion leadership, composed of 12 items, resulted in being composed of two dimensions which were named fashion opinion leadership and fashion innovativeness (Table 5.3). The first factor composed of five items reflecting fashion opinion leadership. Factor one explained 44.87% of variance with an Eigen-value of 5.38. The second factor comprised of three items describing fashion innovativeness. The second factor explained 13.16% of variance with an Eigen-value of 1.58. These two factors together contributed 58.03% of variance. Items 1 and 2 were deleted due to low factor loadings.

Table 5.3

Factor	No.	Abbreviated Statement	Eigen Value	Variance, %	Factor Loading	Cronbach's Alpha	
	6	Influence others opinion on fashion			0.89		
Factor 1	4	Pick fashionable apparel based on what my advice			0.82	0.89	
Fashion Opinion Leadership	5	Persuade others to buy fashion I like	5.38	44.87	0.82		
Leadership	3	Advice about choosing fashionable apparel	apparel		0.75		
	10	Know more about new fashion than others			0.65		
Factor 2	9	Last to purchase a new outfit or fashion			0.87		
Fashion	8	Do little shopping for new fashion		13.16	0.87	0.81	
Innovativeness	7	Last to know latest designers and trends			0.67		
Total				58.03			

Factor Analysis of Fashion Leadership

Website quality had 16 items that were asked twice once from a belief perspective and the other time from an evaluative criteria view point. To obtain perceived website quality, belief was multiplied by evaluative criteria. Factor analysis was separately performed for belief and evaluative criteria, and the results were reviewed to identify common factors between the two. Three dimensions resulted from the analysis. The first factor included two items, "website is innovative" and "website design is innovative," and it was thus named website innovativeness. The second factor included two items, "website adequately meets my information needs" and "information on the website is effective," and was called information. The third factor included two items, "would be easy for me to become skillful at using the website" and "find the website easy to use," and was named ease of use. The remaining ten items for website quality were dropped because they did not load on the same factor for both belief and evaluative criteria or because they had low factor loadings, less than 0.5, or share commonalities with other factor, displayed common factor loading of 0.4 or greater.

# Table 5.4Factor Analysis for Website Quality

Factor: Belief	No.	Abbreviated Statement	Eigen Value	Variance, %	Factor Loading	Correlation Coefficients *	
	4	Interact with website to get information to specific needs			0.60		
Factor 1	7	website is innovative	8.06	50.34	0.87	0.77	
	8	design is innovative			0.67		
	10	website fits my image of company			0.77		
	1	information on site carries out my task			0.78	0.68	
Factor 2	2	website adequately meets my needs	1.68	10.52	0.66		
	3	information is effective	1.00	10.52	0.78		
	5	displays pleasing design			0.75		
	6	site is visually appealing			0.60		
	13	ease for me to become skillful		6.27	0.75		
Factor 3	14	site is easy to use	1.00		0.83	0.72	
	15	little wait time			0.72		
	16	feel safe in transactions			0.57		
Tota	ıl			67.12			

Table 5.4 cont.			Figer	Varianas	Factor	Correlation
Factor: Evaluative Criteria	No.	Abbreviated Statement	Eigen Value	Variance, %	Factor Loading	Coefficients *
	6	site is visually appealing			0.7	
	7	website is innovative			0.82	
Factor 1	8	design is innovative	6.97	43.53	0.85	
	9	site image is consistent with company's image			0.77	
	10	website fits my image of company			0.83	
Factor 2	2	website adequately meets my needs			0.78	
	3	information is effective			0.81	
	11	display pages are easy to read	2.45	15.28	0.81	0.68
	12	site's labels are easy to understand			0.72	
	15	little wait time	_		0.68	
	1	information on site carries out my task			0.66	
Factor 3 Dropped	4	Interact with website to get information to specific needs	1.25	7.82	0.78	
Droppeu	5	displays pleasing design			0.62	
	16	feel safe in transactions			0.71	
	12	site's labels are easy to understand			0.53	
Factor 4	13	ease for me to become skillful	1.04	6.51	0.71	0.71
	14	site is easy to use			0.8	
Total				73.15		

\* Correlation coefficients ran for only common factors between belief and evaluative criteria

#### **Reliability tests**

Reliability analysis was conducted for each scale. It is vital to make sure that each scale is reliable in order to ensure stability and repeatability. Cronbach's alpha was used to verify the internal consistency of multi-item scales. If a scale reports a Cronbach's alpha of 0.70 or greater, then it is sad to have good reliability. Fashion opinion leadership, 5 items, has an alpha of 0.89, and fashion innovativeness, 3 items, has an alpha of 0.81. Impulse buying, consisting of 7 items, has an alpha of 0.92 while bargain shopping, 4 items, has an alpha of 0.87. Hedonic motivation, composed 5 items, has an alpha of 0.93, and purchase intention, 3 items, has an alpha 0.94.

Therefore, the reliability analysis demonstrated that the Cronbach's alpha coefficients for all scales were above the acceptable limit of 0.70. Upon displaying acceptable Cronbach's alpha a mean score was computed for each scale.

Instead of Cronbach's alphas, correlation coefficients were examined for the factors of website quality, separately for evaluation criteria and beliefs, because these factors contained only two items each. The correlation analyses for the two items measuring website innovativeness for belief perspective of website quality displayed an r value of 0.77 and for evaluative criteria of website quality yields a value of r=0.70. The correlation coefficient for the belief perspective of the information dimension of website quality was 0.68, and for the evaluative criteria of website quality it was 0.68. The correlation coefficients for ease of use were 0.72 for the belief perspective and 0.71 for evaluative criteria. All of these correlation coefficients yielded acceptable limits indicating a strong reliability for each scale. The means and standard deviations for all variables are displayed in Table 5.5.

Descriptive statistics for all variables							
	Ν	Mean	Std. deviation				
Fashion innovativeness	156	6.15	0.71				
Fashion opinion leadership	160	5.15	0.14				
Impulse buying	156	4.42	1.38				
Bargain shopping	155	5.80	1.17				
Hedonic motivation	153	5.50	1.24				
Purchase intention	146	6.20	0.89				
Website innovativeness*	146	31.35	9.02				
Information*	145	37.71	6.51				
Ease of use*	144	39.21	7.32				

Table 5.5 Descriptive statistics for all variables

 $\ast$  the scores of website quality were computed by multiplying belief by evaluative criteria

#### **Correlation analyses**

To determine the relationships among the variables, Pearson's correlation analysis was run as shown in Table 5.6. The table presents the correlation coefficients between shopping characteristics (fashion opinion leadership, fashion innovativeness, impulse buying, hedonic motivation, and bargain shopping), perceived website quality (ease of use, website innovativeness, and information ), and purchase intention. The two most significant correlations were between ease of use and purchase intention (r=0.56, p<0.01), and between ease of use and information, 2 of the 3 factors of website quality (r=0.68, p<0.01).

Hypothesis 1, 3, 4 and 5 test the relationship between varying shopping characteristics. Hypothesis 1 suggests a relationship between fashion leadership and hedonic motivation. Fashion opinion leadership and hedonic motivation displayed a significantly positive correlation (r=0.38, p<0.01), and fashion innovativeness and hedonic motivation also showed a significantly positive relationship (r=0.29, p<0.01). Therefore hypothesis 1 is supported. Hypothesis 3 proposes a relationship between hedonic motivation and impulse buying. Pearson's correlation analysis presented a positive significant relationship between hedonic motivation and impulse buying (r=0.42, p<0.01).

Hypothesis 4 concerns a relationship between fashion leadership and impulse buying. Fashion opinion leadership and impulse buying showed a positive relationship (r=0.21, p<0.01); however fashion innovativeness and impulse buying did not have a significant relationship. Therefore hypothesis 4 was only partially supported. Hypothesis 5 aimed at seeking a relationship between bargain shopping and hedonic motivation; however Pearson's correlation analysis did not show a significant relationship between the two, thus hypothesis 5 was rejected. It is also interesting to take note of the positive significant relationships between purchase intention and the three dimensions of website quality, purchase intention and website innovativeness (r=0.27, p<0.01), information (r=0.43, p<0.01), and ease of use (r=0.56, p<0.01). It was also found that website innovativeness was positively associated with information (r=0.44, p<0.01) and ease of use (r=0.38, p<0.01), and in addition, information and ease of use were also positively related (r=0.68, p<0.01). Therefore all of the dimensions of website quality were found to have positive significant relationship with each other as well as with purchase intention. Purchase intention also showed significant relationships with impulse buying (r=0.32, p<0.01), bargain shopping (r=0.32, p<0.01), and hedonic motivation (r=0.24, p<0.01).

The three dimension of website quality did not show any significant relationship with impulse buying or either dimension of fashion leadership; however information did show a positive significant relationship with bargain shopping (r=0.21, p<0.05), and a positive significant relationship was found between hedonic motivation and website innovativeness (r=0.19, p<0.05) and between hedonic motivation and ease of use (r=0.33, p<0.01).

Table 5.6Pearson Correlation Analysis

	Impulse Buying	Bargain Shopping	Hedonic Motivation	Purchase Intention	Fashion Opinion Leadership	Fashion Innovativeness	Website Innovativeness	Information	Ease of Use
Impulse Buying	1								
Bargain Shopping	-0.10	1							
Hedonic Motivation	0.42 ***	-0.01	1						
Purchase Intention	0.32 ***	0.32 ***	0.24 **	1					
Fashion Opinion Leadership	0.21 **	0.06	0.38 ***	0.23 **	1				
Fashion Innovativeness	0.11	-0.03	0.29 ***	0.13	0.44 ***	1			
Website Innovativeness	0.09	-0.07	0.19 *	0.27 ***	0.02	0.08	1		
Information	0.01	0.21 *	0.15	0.43 ***	-0.02	0.10	0.44 ***	1	
Ease of Use	0.15	0.14	0.33 ***	0.56 ***	0.08	0.13	0.38 ***	0.68 ***	1

\*p≤0.05, \*\*p≤0.01, \*\*\*p≤0.001

#### **Regression analyses**

In order to test hypotheses 2 and 6-8, multiple regression analyses were conducted. The first regression analysis ran tested the significance of all shopping characteristics (fashion innovativeness, fashion opinion leadership, bargain shopping, impulse buying, and hedonic motivation) towards predicting perceived website quality (H8a-d). Each characteristic was run against the three dimensions of website quality as shown in Table 5.7. The results for website innovativeness (F (5, 144) = 1.32, p = 0.26) showed that independent variables (shopping characteristics) as a group did not explain a significant amount of variance in website innovativeness ( $R^2=0.05$ ). As shown in Table 5.7, the only independent variable that demonstrated any significance towards website innovativeness was hedonic motivation ( $\beta$ =0.19) but only at the level of  $p \le 0.05$ . Thus only hedonic motivation can be indicated to be a significant predictor of website innovativeness. The results for information (F (5, 14) =2.73,  $p\leq 0.05$ ) showed the shopping characteristics explained a significant amount of variance in information ( $R^2$ =0.09). Because bargain shopping ( $\beta$ =0.22, p≤0.01) and hedonic motivation ( $\beta$ =0.19, p≤0.05) are significant, these can be considered significant predictors of the information dimension of website quality. Ease of use results (F (5,142) = 4.60, p $\leq 0.001$ ) explained a great amount of variance in the dependent variable by the independent shopping characteristics variables ( $R^2$ =0.14). Bargain shopping ( $\beta$ =0.22, p≤0.05) and hedonic motivation ( $\beta$ =0.19, p≤0.001) revealed the significance of these variables to be important indicators of ease of use.

Regression analysis was conducted again in order to test the significance of two shopping characteristics (impulse buying and bargain shopping) and the three dimensions of website quality on purchase intention as shown in Table 5.8. This was tested using the enter method. Model 1 analyzed the predictability of bargain shopping and impulse buying on purchase intention. The model was significant to predict purchase intention with F (2, 142) = 19.72 and p $\leq$ 0.001. Twenty two percent of the total variance in purchase intention was accounted for by Model 1. Both shopping characteristics displayed strong predicators of purchase intention with bargain shopping ( $\beta$ =0.35, p $\leq$ 0.001) and impulse buying ( $\beta$ =0.22, p $\leq$ 0.001) having a p-value of less than or equal to 0.001.

Model 2 measured the predictability the three dimensions of website quality (website innovativeness, information, and ease of use) in addition to the two shopping characteristics. The model significantly predicted the independent variables on purchase intention (F (5, 142) = 22.81, p≤0.001). With the addition of the three dimension of website quality to model 2, the total variance explained in predicting purchase intention increased to 45.4%. Bargain shopping ( $\beta$ =0.29) and impulse buying ( $\beta$ = 0.26) proved to be highly significant again in this model at p≤0.01. However, the ease of use dimension of website quality was the only dimension to show significance to predict purchase intention with a beta coefficient of 0.40 at p≤0.001. Therefore model 2 showed a greater explanation of the variance to predict purchase intention from bargain shopping, impulse buying, and the ease of use dimension of website quality.

#### Table 5.7

	Website Quality Dimensions								
	Website Innovativeness		Information			Ease of Use			
	β t		β	β t		β t			
Shopping Characteristics									
Impulse Buying	0.01	0.12		-0.04	-0.43		0.02	0.25	
Bargain Shopping	-0.06	-0.72		0.22	2.70	**	0.16	2.05	*
Hedonic Motivation	0.19	1.97	*	0.19	1.98	*	0.34	3.62	***
Fashion Leadership	-0.07	-0.72		-0.16	-1.63		-0.11	-1.11	
Fashion Innovativeness	0.06	0.60		0.12	1.34		0.09	0.94	
$\mathbf{R}^2$		0.05			0.09			0.14	

Regression analysis for dependent website quality

\*p≤0.05, \*\*p≤0.01, \*\*\*p≤0.001

	Purchase Intention						
	Model 1			Model 2			
Shopping Characteristics	β		t	β	t	t	
Bargain Shopping	0.35	4.46	***	0.29	3.95	***	
Impulse Buying	0.33	4.71	***	0.27	4.39	***	
Website Quality Dimensions							
Website Innovativeness				0.10	1.43		
Information				0.06	0.64		
Ease of Use				0.40	4.58	***	
R <sup>2</sup>			0.22			0.45	
***p≤0.001							

Table 5.8Regression analysis for dependent purchase intention

Table 5.9 summarizes the findings obtained by the current study identifying the relationships between shopping characteristics as well as the predictability of shopping characteristics on perceived website quality as well as the predictability on purchase intention from impulse buying, bargain shopping, and perceived website quality.

Table 5.9

# Research findings by current study

Hypotheses	Findings
H1: There is a positive significant relationship between fashion leadership and hedonic shopping motivations for private sale sites' members.	Supported
H1a: Fashion opinion leadership is significantly related with hedonic shopping motivations for private sale sites' members.	Supported
H1b: Fashion innovativeness is significantly related with hedonic shopping motivations for private sale sites' members.	Supported
H2: There is a positive significant relationship between impulse buying behavior and intention to purchase from a private sales site.	Supported
H3: There is a positive significant relationship between impulse buying and hedonic shopping motivations for private sale sites' members.	Supported
H4: There is a positive relationship between fashion leadership and impulse buying for private sale sites' members.	Partially Supported, positive relationship in H4b
H4a: There is a positive significant relationship between fashion innovativeness and impulse buying for private sale sites' members.	Rejected
H4b: There is a negative significant relationship between fashion opinion leadership and impulse buying for private sale sites' members.	Rejected, positive not negative relationship
H5: There is a positive significant relationship between bargain shopping and hedonic shopping motivations for private sale sites' members.	Rejected
H6: Bargain shopping influences purchase intention at private sales sites	Supported
H 7: Consumers' perception of website quality influences online purchase intention from private sales sites.	Partially Supported for Ease of Use
H8: Shopper characteristics significantly influence perceived website quality of private sale sites.	Partially Supported
H8a: Hedonic motivation significantly influences perceived website quality of private sale sites.	Supported
H8b: Fashion leadership significantly influences perceived website quality of private sale sites.	Rejected
H8c: Impulse buying significantly influences perceived website quality of private sale sites.	Rejected
H8d: Bargain shopping significantly influences perceived website quality of private sale sites.	Partially Supported for Ease of Use & Information

## **Chapter VI**

#### Discussion

This chapter discusses the results of the study by accepting or rejecting the eight proposed hypotheses. This chapter determines how shopping characteristics and perceived website quality influences a consumer's purchase intention for a private sales site. It also examines the relationships between shopping characteristics, perceived website quality, and purchase intention as well as discusses the implications of the results for future research and practice. Limitations are also discussed.

#### **Conclusions and implications**

A significant positive relationship was identified between fashion leadership and hedonic motivations for private sale sites (H1). In this study, fashion leadership was determined to be composed of two dimensions, fashion opinion leadership and fashion innovativeness. This study proposed based on past research on fashion leadership to test for multiple dimensions. The results showed that fashion leadership was indeed comprised of two dimensions which were named fashion innovativeness and fashion opinion leadership. In this study's hypothesis testing pertaining to fashion leadership, the results often varied between the two dimensions. For instance, the results were split for relationships between the two dimensions of fashion leadership and impulse buying and purchase intention. Therefore, there is some validity to the findings of two dimensions. The results from correlation analyses indicated that private sale sites members who have a higher level of fashion opinion leadership and fashion innovativeness are more likely to also have a high level of hedonic shopping motives. These results are contradictory to those of the Kang and Park-Poaps' (2010) study whose findings showcased a positive significant relationship with only the fashion innovativeness dimension of fashion leadership and found that fashion opinion leadership tended to be more utilitarian, task-oriented, in nature. Fashion opinion leadership individuals tend to express and influence information on fashion. Being able to share ideas, opinion, and viewpoints with other in a social setting on private sale sites would be appealing to individuals with high levels of fashion opinion leadership, through this social venue they may have sought hedonic motivation in private sale sites by being active with their media outlets such as blogs, Facebook, and Twitter. On the other hand, individuals who score high on fashion innovativeness are those who prefer to have the latest fashion earlier than other consumers and they may able take enjoyment in the countless luxury brands that private sale sites offer as well as having exclusivity in their merchandise offerings. Private sale sites retailers should continue to be selective in their merchandising variety and assortment while giving their consumers the opportunities to express and share their ideas and opinions with others in a social setting in order to enhance hedonic shopping experiences for those members who display higher levels of fashion leadership.

Private sale sites members who had high levels of impulse buying behavior were found to have a positive significant relationship with hedonic shopping motivations (H3). The finding further supported Hausman's (2000) study that fulfilling hedonic shopping motives could lead to impulse buying and vice versa. Private sale sites should recognize that members who have high levels of hedonic shopping motivations will also have high levels of impulse buying. Because of the limited time sales format nature of these private sale sites, if retailers can bring pleasurable experience to consumers, they can be more inclined to make unplanned purchase thus for retailers increasing revenue.

The proposed relationship between fashion leadership and impulse buying was rejected. No relationship between fashion innovativeness and impulse buying was found for private sales sites members. It was proposed that a negative relationship between fashion opinion leadership and impulse buying would exist; however, while a relationship between the two was found, the results indicated a positive relationship instead of a negative one (H4). Therefore private sales sites' members who displayed higher levels of fashion opinion leadership also displayed high levels of impulse buying behavior. Phau and Lo's (2004) study found a weak positive relationship between fashion leadership and impulse buying; however, they did make note that fashion leadership individuals were not likely to make purchases online. In that manner, the results of this current study partially support the finding since individuals who scored high on fashion innovativeness did not necessarily score high enough or low enough on impulse buying behavior to have a relationship develop between the two. However, the study did find a positive relationship between fashion opinion leadership and impulse buying, thus suggesting that private sales sites members who scored highly on fashion opinion leadership displayed high score for impulse buying behavior. Individuals with high levels of fashion opinion leadership tend to express and influence their opinion on others usually in a social setting, and private sale sites have high levels of consumer to consumer involvement by allowing participation with blogs, Facebook, and Twitter Therefore, they are likely subject to peer pressure from others' opinion as well as to insert their own which could result in impulse buying.

No relationship between bargain shopping and hedonic shopping motivation was found for private sale sites members (H5). The results indicated in this study are contrary to the findings by Cox, Cox, and Anderson (2005) and Schindler (1998) who found individual were more prone to bargain shop for reason beyond economical needs such as for entertainment and pleasure (hedonic motives). It should be noted, however, that studies by Cox et al and Shindler were not limited to shoppers of any specific type of retailers whereas the current study included only shoppers of private sale websites. The difference in the findings may, therefore, be due to the different composition of the two samples. It can be concluded that among shoppers of private sale websites a high level of hedonic shopping motives is not significantly related to a high level of bargain shopping. Therefore bargain shoppers who are members of private sale sites do not seek fun and adventure but yet may be drawn to these sites for financial value and satisfaction.

Impulse buying and bargain shopping were found to be significant predictors on purchase intention from a private sale site (H2 and H6). Impulse buying has long been defined as a compelling instant urge to buy an item. Because private sales sites operate under a limited time sales format, members who are prone to impulse buying behavior may be stimulated by this thus influencing the likelihood to make a purchase. In addition, private sales sites only have a limited quantity of each product; therefore, individuals who are already more prone to indulge in impulse buying behavior may be more impulsive in purchases despite actual need for the product as the consumer does not want to lose the opportunity to have the item from waiting to think over choices or alternatives. Individual who have high levels of bargain shopping may find financial value and satisfaction from private sale sites due to the extreme discount of the products offered in which may stimulate the purchase intention of said individuals. Retailers should therefore focus more on attributes such as special discounts, one time only invents, as well as limited edition products that will influence impulse buying and bargain shopping behavior since it was found to be a significant predictor of purchase intention. When perception of website quality was added to impulse buying and bargain shopping, it was significantly found to influence purchase intention (H7). In this study three dimension of website quality were determined and called website innovativeness, information, and ease of use. However of the three dimensions of website quality, only ease of use was found to be significant. Ease of use in this study dealt with ease in which members were able to use the site skillfully. It is important to note these findings do not mean website innovativeness (pertaining to the site's originality of design and format) and information (ability for information to effectively meet needs) were not important factors since both of them were found to have a highly significant correlation with purchase intention. While all three dimensions of website quality are important separately, the results of multiple regression analysis suggest that ease of use is the dimension that is more likely to cause consumers to make a purchase from a private sale site when all three dimensions are considered simultaneously. Because ease of use is the most critical dimension of website quality, private sale sites should put their limited resources into improving ease of use first before allocating money to other features.

Finally, shopping characteristics were found to partially influence the perception of website quality for private sale sites (H8). Hedonic motivation was the only shopping characteristics found to influence the perception of website innovativeness. Members who have high levels of hedonic motivation seek pleasure, enjoyment and entertainment in the shopping experience; therefore, it is not surprising that those shoppers are more likely to have favorable perceptions of the quality of website innovativeness. Bargain shopping and hedonic motivation was found to be predictors of the information quality of a private sale website. It is interesting to note that bargain shopping and hedonic motivations were not found to be related, but they both were influenced by the information available on private sale sites. Those shoppers who are

driven by bargain hunting and those who are driven by hedonic shopping motives may appreciate the quality of information provided on private sale websites for different reasons and are more likely to favorably perceive that aspect of the website. Bargain shoppers may focus on discount information whereas hedonic shoppers may focus more on information pertaining to upcoming sales, product descriptions, or suggested products that private sale sites provided thus meeting their information needs in a different manner. Bargain shopping and hedonic motivation were also found to be significantly related to a site's ease of use to make their perception of website quality. Both bargain shopping shoppers and hedonically motivated shoppers appreciate the ease of use on a private sale website more as this feature allows them the ability to find deals and to find enjoyment in the shopping process. Both dimensions of fashion leadership were not found to be predictors of website quality nor was there a significant relationship present between fashion leadership and the dimension. There may be other factors of website quality that have greater influence on individuals scoring high on the dimensions of fashion leadership such as product assortment and ability to network such as usage of blogs and social media outlets. Future studies may expand the scope of website quality to include several other factors, particularly socialization-related website features, allowing consumers to communicative via blogs, social media outlets, or allowing consumers to make fashion suggestion, to examine if they are related to fashion leadership. Impulse buying also showed no relationship to the three dimensions of website quality nor was it found to be a predictor of website quality. Impulse buying individuals make quick compelling purchases therefore maybe factors such as security and transaction ability is more influential to determining their perception of website quality.

#### Limitations and future research

There are several limitations to this study which should be considered. Foremost, the current study did not require respondents to have made a purchase from a private sales site. Participants were only required to be a member of at least one private sales site. This limits the study as the researcher cannot confirm how much experience the participants actually have which may influence perception of website quality.

In addition, the study did not make a clear distinction to product category. Private sales sites offer a wide assortment of product categories from furniture to apparel and accessories to vacation packages. Since respondents were not limited to the experience with private sale sites on a particular category; there could be difference in results if the study limited itself to one category. Therefore, researchers could find certain dimensions of website quality and shopping characteristics to be more influential in predicting purchase intention based on product category.

Also the current study was composed of mostly 18-24 year old participants, 58.2%. Because private sale sites still can be potentially expensive in price despite the discounts, a sample with an older population is assumed to have a larger income and thus may have a differing view of their shopping characteristics and website quality.

It is a fact that there has been little academic research on private sales sites and the luxury industry from a consumer standpoint. The current study is just a start of numerous research possibilities. Future research may replicate the current study and examine the relationship between shopping characteristics and perceived website quality and their influence on purchase intention with a different demographic make-up.

The current study focused on consumer shopping characteristics and how they impact the consumer's perception of website quality. Future research could go further and examine how

private sale sites generate the luxury experience for the consumer based on Pine and Gilmore (1999) 4E's (esthetics, escapist, education, and entertainment). This study also looked at private sales sites as a complement of luxury sites. Future research could use the same model but compare the results across the board with different retail formats to see if private sales sites are truly unique or if they are more similar to luxury sites, online brick and mortar presence stores, or big online retailers such as eBay. Finally, because many private sale sites believe their membership only limited time sales format give consumers a feeling of exclusivity, future research can put this claim to test and see if consumers truly do feel like they gain a luxury feeling of exclusivity and desire.

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Appendix A

Consent form

#### Consent Form

I agree to take part in a research study titled "An analysis of the impacts of consumer shopping characteristics and perceived website quality on purchase intention from a private sale site," which is being conducted by Briana Martinez from the Textiles, Merchandising, and Interiors department at the University of Georgia and can be reached at brianam@uga.edu under the direction of Dr. Soyoung Kim (skim@fcs.uga.edu). My participation is voluntary; I can refuse to participate or stop taking part at any time without giving any reason, and without penalty or loss of benefits to which I am otherwise entitled. I can ask to have information related to me returned to me, removed from the research records, or destroyed. If I volunteer to take part in this survey, I will be asked to answer the following questions based on my experience as a member of private sales sites:

- 1. Shopping characteristics
- 2. Perceptions of website quality
- 3. Purchase intention toward private sale sites.

This research will be undertaken as a survey which should take no more than 20minutes of the participant's time. The survey consists of four sections of questions, shopping characteristics, perceptions of website quality, purchase intention, and selected demographic questions. Participation in this survey will not directly benefit me; however, my participation in this survey can aid the understanding of how different shopping characteristics view website quality and the impact it may have on purchase intention towards private sale sites, online business can improve their website design to increase purchase behavior. No foreseen risk is seen in this research; however if at any time during this survey I feel any discomfort, I can exit the survey. Internet communications are insecure and there is a limit to the confidentiality that can be guaranteed due to the technology itself. However once the materials are received by the researcher, standard confidential as IP addresses are being stripped upon data submission. The data will remain secure by being sent as an encrypted file. The researcher's computer will also enable firewall that will block unauthorized access. The researcher will answer any further questions about the research, and can be reached by telephone at: 803-397-6517.

() I understand the procedures described above. My questions have been answered to my satisfaction, and I agree to participate in this study. It is recommended to print a copy of this form for my personal records.

() I do not agree to participate in this study, and will exit now.

Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 629 Boyd Graduate Studies Research Center, Athens, Georgia 30602-7411; Telephone (706) 542-3199; E-Mail Address IRB@uga.edu Appendix B

Survey

# AN ANALYSIS OF THE IMPACTS OF CONSUMER SHOPPING CHARACTERISTICS AND PERCEIVED WEBSITE QUALITY ON PURCHASE INTENTION FROM A PRIVATE SALES SITE

# Section A

Please indicate your gender.

() Male

() Female

Private sales site also known as sample sale sites are transaction sites where consumers can

purchase luxury brand items at extreme price discounts. The luxury products are limited in

quantity and are offered for a short period of time.

Please select **all** private sales sites to which you are a member

() Rue La La	() Gomatta Girls	() Ivory Trunk
() Beyond the Rack	() Ideeli	() Brand Alley
() Gilt Groupe	() The Top Secret	() Avelle
() Lucky Chic	() Editor's Closet	() Row nine
() Hautelook	() Net-A- Porter	( ) Other ()
( ) Swirl	() SeenOn	() None

# \*If you have never experienced private sale sites, please exit the survey. Thank you for your time.\*

#### **Section B: Shopping Characteristics**

Please describe your shopping characteristics on private sale sites by indicating your level of agreement with the following scale where 1=strongly disagree and 7=strongly agree.

	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
1. My opinion on fashion seems not to count with other people*	1	2	3	4	5	6	7
2. When they choose fashionable apparel, other	1	2	3	4	5	6	7

people do not turn to me fo	)r						
advice.*							
3. Other people come to me for advice about choosing fashionable apparel.	1	2	3	4	5	6	7
4. People that I know pick fashionable apparel based on what I have told them.	1	2	3	4	5	6	7
5. I often persuade other people to buy the fashions that I like.	1	2	3	4	5	6	7
6. I often influence people's opinion about fashionable clothing.	1	2	3	4	5	6	7
7. In general, I am the last in my circle of friends to know the names of the latest designers and fashion trends.*		2	3	4	5	6	7
8. Compared with my friends I do little shopping for new fashion.*		2	3	4	5	6	7
9. In general, I am among the last in my circle of friends to purchase a new outfit or fashion.*	1	2	3	4	5	6	7
10. I know more about new fashion before other people	e. 1	2	3	4	5	6	7
11. If I heard that a new outfit was available on a private sale site, I would be interested enough to buy it	1	2	3	4	5	6	7
12. I will consider buying a ne fashion, even if I have not heard of it yet.	<b>W</b> 1	2	3	4	5	6	7
13. I often buy things spontaneously.	1	2	3	4	5	6	7
14. "Just do it" describes the way I buy things.	1	2	3	4	5	6	7
15. I often buy things without thinking.	1	2	3	4	5	6	7
16. "Buy now, think about it later" describes me.	1	2	3	4	5	6	7
17. Sometimes I feel like buyin things on the spur-of-the-	<b>I</b> g 1	2	3	4	5	6	7

moment.							
18. Sometimes I am a bit reckless about what I buy.	1	2	3	4	5	6	7
19. If I see something I want, I buy it.	1	2	3	4	5	6	7
20. I enjoy hunting for a bargain.	1	2	3	4	5	6	7
21. I like to comparison shop.	1	2	3	4	5	6	7
22. I get a thrill out of finding a real bargain.	1	2	3	4	5	6	7
23. I seek a bargain when I purchase a luxury brand.	1	2	3	4	5	6	7
24. A shopping trip is truly a joy.	1	2	3	4	5	6	7
25. Compared to other things I do, the time spent shopping is truly enjoyable.	1	2	3	4	5	6	7
26. A shopping trip truly feels like an escape.	1	2	3	4	5	6	7
27. I enjoy being immersed in the exciting new products.	1	2	3	4	5	6	7
28. While shopping, I feel a sense of adventure.	1	2	3	4	5	6	7

Please name the private sale site that you are most familiar with:

# Section C: Website Quality

Please rate the performance of private sale sites that you are most familiar with in terms of your evaluation of the site or your feelings toward the site by indicating your level of agreement where 1=strongly disagree and 7=strongly agree.

		Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
1.	The information on the website is pretty much what I need to carry out my tasks.	1	2	3	4	5	б	7
2.	The website displays visually pleasing design.	1	2	3	4	5	6	7
3.	The information on the website is effective.	1	2	3	4	5	6	7
4.	The website design is innovative.	1	2	3	4	5	6	7
5.	The website adequately meets my information needs.	1	2	3	4	5	6	7

6. The website labels are easy to understand.	1	2	3	4	5	6	7
7. The website projects an image consistent with the company's image.	1	2	3	4	5	6	7
8. I can interact with the website in order to get information tailored to my specific needs.	1	2	3	4	5	6	7
9. The website is innovative.	1	2	3	4	5	6	7
10. The website fits with my image of the company.	1	2	3	4	5	6	7
11. The display pages within the website are easy to read.	1	2	3	4	5	6	7
12. I feel safe in my transactions with the website.	1	2	3	4	5	6	7
13. It would be easy for me to become skilled at using the website.	1	2	3	4	5	6	7
14. When I use the website there is very little waiting time between my actions and the website's response.	1	2	3	4	5	6	7
15. I find the website easy to use.	1	2	3	4	5	6	7
16. The website is visually appealing.	1	2	3	4	5	6	7

Please indicate how important the following items are to you in relation to your experience with the private sale site you are most familiar with where 1=not important and 7=very important.

	Not Important At All	Not Important	Slightly Not Important	Neutral	Slightly Important	Important	Strongly Important
1. Has sufficient information to carry out my tasks.	1	2	3	4	5	6	7
2. Makes me feel safe in my transactions with the website.	1	2	3	4	5	6	7
3. Has a visually pleasing design.	1	2	3	4	5	6	7
4. Allows me to interact with the website in order to get information tailored to my	1	2	3	4	5	6	7

specific needs.							
5. Has a website that fits with my image of the company.	1	2	3	4	5	6	7
6. Has a visually appealing website.	1	2	3	4	5	6	7
7. Has little waiting time between my actions and the website's response.	1	2	3	4	5	6	7
8. Has an innovative website design.	1	2	3	4	5	6	7
9. Projects an image consistent with the company's image.	1	2	3	4	5	6	7
10. Has effective information.	1	2	3	4	5	6	7
11. Has display pages that are easy to read.	1	2	3	4	5	6	7
<b>12. The website is innovative.</b>	1	2	3	4	5	6	7
13. Makes it easy for me to become skilled at using the website.	1	2	3	4	5	6	7
14. Makes it easy to use.	1	2	3	4	5	6	7
15. Has labels are that are easy to understand.	1	2	3	4	5	6	7
16. Adequately meets my information needs.	1	2	3	4	5	6	7

# **Section D: Purchase Intention**

Based on your experience with private sale sites, please indicate your level of agreement with the following items where 1=strongly disagree and 7=strongly agree.

	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
1. I would purchase luxury merchandise at private sale sites in the future.	1	2	3	4	5	6	7
2. I would consider buying luxury merchandise from a private sale site in the future.	1	2	3	4	5	6	7
3. The probability that I would consider buying	1	2	3	4	5	6	7

luxury merchandise from a				
private sale site is high.				

### **Section E: Demographics**

1.Please indicate to which age range you belong.

() 18-24	( ) 45-54
( ) 25-34	( ) 55-64
( ) 35-44	( ) 65+

2.Please indicate your annual household income.

() less than \$10,000	( ) \$50,000-69,999	() \$110,000-\$129,999
( ) \$10,000-\$29,999	( ) \$70,000-\$89,999	() \$130,000 or more
( ) \$30,000-\$49,999	( ) \$90,000-\$109,999	

3. Please identify to which ethnic group you belong to.

# () White/ Caucasian

- () African-American
- () Hispanic
- () Multi-racial
- ( ) Asian/ Pacific Islander
- () Native-American Indian
- ( ) Other (\_\_\_\_\_)

- 4. How often do you access private sales sites?
- () Daily
- () 2-3 times a week
- () Weekly
- () 2-3 times a month
- () Once a month