iscte

**INSTITUTO
UNIVERSITÁRIO
DE LISBOA**

INVESTIGATING WHICH FACTORS INFLUENCE CONSUMER'S
ONLINE PURCHASE INTENTIONS: THE LUXURY WATCH INDUSTRY

Madalena Mendes Gonçalves Arez Torres

Master in Management

Supervisor:
Prof. Rui Vinhas da Silva, Ph.D., Assistant Professor, ISCTE Business
School, Marketing Department

November, 2021

iscte

Iscte, Marketing Department

INVESTIGATING WHICH FACTORS INFLUENCE CONSUMER'S ONLINE PURCHASE INTENTIONS: THE LUXURY WATCH INDUSTRY

Madalena Mendes Gonçalves Arez Torres

Master in Management

Supervisor:
Prof. Rui Vinhas da Silva, Ph.D., Assistant Professor, ISCTE Business School, Marketing Department

November, 2021

Abstract

The luxury watch industry and all its stakeholders, with a special focus on consumers and retailers, is in need of change due to the digital revolution of the 21st century. Such a unique experience is traditionally made possible by tailored customer service, state of the art stores and displays, which may be jeopardized by the idea of shifting to online channels. Thus, this work aims to investigate which e-commerce characteristics influence consumer's purchase intentions. Concepts such as trust, website appearance and design, and price awareness were approached. To gain a deep understanding of the aforementioned topics, a quantitative methodology was developed by the means of an online questionnaire and a total of 202 valid responses were obtained. Findings reveal that price awareness, receptiveness to online stores and website trust are the most important predictors of purchase intentions. Additionally, this study explores whether purchase intentions shift given previous online experience.

Keywords: *consumer behavior, luxury watch industry, e-commerce, purchase intentions*

JEL Classification: M31 (Marketing), L81 (Retail and Wholesale Trade, e-commerce)

Resumo

A indústria de relógios de luxo e todas as suas partes interessadas, com foco especial nos consumidores e retalhistas, precisam de mudanças devido à revolução digital do século XXI. Esta experiência única é tradicionalmente possibilitada por um atendimento personalizado, lojas e montras de última geração, que podem ser prejudicados pela ideia de mudar para canais online. Assim, este trabalho tem como objetivo investigar quais as características do e-commerce influenciam as intenções de compra do consumidor. Foram abordados conceitos como confiança, aparência e *design* do *website* e sensibilidade a preços. Para aprofundar os temas mencionados, foi desenvolvida uma metodologia quantitativa por meio de um questionário online, obtendo-se um total de 202 respostas válidas. Os resultados revelam que a perceção do preço, a recetividade às lojas online e a confiança do site são os indicadores mais importantes das intenções de compra. Para além disto, este estudo explora se as intenções de compra mudam devido à experiência online anterior.

Palavras-chave: E-commerce, comportamento do consumidor, relógios de luxo, intenções de compra

Classificação JEL: M31 (Marketing), L81 (Retail and Wholesale Trade, e-commerce)

Table of Contents

Figure Index

Table Index

1. Introduction

In the first chapter, the researcher presents the theme and key theoretical concepts that will be investigated throughout the study, followed by the characterization of the problem and the primary research questions inherent to the topic. The thesis structure will be explained before moving on to the subsequent chapters.

1.1. Context and research problem

According to Abtan *et al.* (2016), whether brands are ready for it or not, digitalization is happening fast and strongly. It allows new products and services to become available. It opens up opportunities for many more consumers to create personalized deals and provide bespoke services. However, not all brands have achieved it yet. In reality, when it comes to understanding and integrating emerging technology, luxury lags compared to other consumer sectors. Disney, Nike are only a few that have mastered the digital world. Reinforced by Berridge (2018), brick and mortar stores have been replaced by digitalization, and omnichannel and digitalization represent a pain point particularly for luxury brands. As Okwonko (2010) stated, when executives decide to go digital, they need to be aware that the entire online strategy needs to be aligned with the company's overall corporate strategy. Moreover, the various definitions of luxury will be tackled, since luxury can have such different meanings to everyone (Ko, 2019).

Looking at customer behavior, according to the Global Powers of Luxury Goods report from Deloitte (2019) states that there is a change in consumer attitude towards luxury goods. A new class is emerging called the High-Earners-Not–Rich-Yet (HENRYs). This consumer class is characterized by digital savviness and particularly enjoys shopping online, earn between US$100,000 and US$250,000 and their average age is 43. Subsequently, brands not only need to adapt to digitalization but to this new class of clientele as well.

To tackle this electronic commerce trend, luxury wristwatch companies have been taking small steps. According to the Federation of the Swiss Watch Industry (FH), exports exceeded twenty billion francs threshold in 2019, an increase of 2.6% compared with 2018. Switzerland alone shipped over 20 million watches to foreign countries. As for the worldwide average annual luxury watch sales, wristwatch sales accounted for 2 billion USD in 2017, according to Deloitte (2019).

There are several studies relating luxury brands and e-commerce however, few papers provide insights specifically to luxury watchmakers and online marketplaces. More specifically, about customers' necessities and buying intentions regarding this specific industry.

1.2. Theoretical contribution, Objectives and Research Questions

This thesis focuses on the luxury watch sector and how brands and distributors can adapt their centenary businesses to the global, online marketplace companies compete in today. This way, the goal is to gain a deeper understanding of the attributes that an online store needs to have to achieve customer satisfaction, brand loyalty, and what the audience's purchase intent is when buying online.

As luxury fashion and technology thrive in online marketplaces, the luxury watch industry can benefit from such best practices (Okwonko, 2010). The findings of this work will contribute towards a clearer and more structured understanding of how innovation and the ability to reinvent a buying experience as specific and tailored as luxury can be achieved.

This study contributes to the gap in academic literature addressing missing studies of online consumer behavior and buying intentions in the luxury watch market. It also aims to deliver information to retailers as a guide in brand management, taking into account the data obtained, so that they have tools to improve the online shopping experience. Once the review of literature is complete and structured, this thesis aims to answer the main research question:

Which factors determine consumers' purchase intentions in luxury watch websites?

Based on the analysis of the work done in the literature review, the key variables that may affect customers' buy intentions in luxury watches websites were identified. These variables are Price Awareness, Customization of the website, Receptiveness to online stores, Trust on the website and, finally, Website Appearance. All these variables were measured to answer the research questions.

1.3. Structure

This thesis consists of five chapters. The first chapter provides some background and industry information, describes the research gap, and expresses research questions. Chapter 2 provides a theoretical framework that includes several theoretical concepts and how they are relevant

for the present study, such as the definition of luxury, what e-commerce represents, and factors that contribute to consumer satisfaction and willingness to purchase. The third describes research methodology by outlining research design, sampling, and data analysis methods. Chapter 4 presents findings from data analysis and results from the statistical tests performed and Chapter 5 answers to research questions and validates the hypotheses given the outcomes of the statistical tests. Finally, chapter 6 presents conclusions, outlines implications and limitations of the research, and provides suggestions about future research.

2. Literature review

2.1. Luxury definition

Although there has been research on the definition of a luxury brand, a broadly accepted definition is yet to be agreed upon (Ko et al., 2019). Accurately, Okonkwo (2009) stated that luxury isn't a commodity, an object, a service, an idea, nor a way of life. It's a sense of self, a philosophy, and a culture. Indeed, according to Kapferer (2012), there are three concepts one should be aware of regarding luxury. Firstly, as a theory, it is subjective and questionable. Secondly, it is an industry, and lastly, it demands a distinct strategy distancing itself from the mass market.

Hence, various dimensions of luxury are up for discussion. Luxury can be referred to as a romanticized, inaccessible way of living and can be associated with extravagance for the sake of pleasure (Kapferer, 2012). The duality of luxury is also mentioned by Bastien & Kapferer (2012), meaning that luxury can be seen either as a social statement and a demonstration of status or as an individual aspect, leading to personal pleasure and satisfaction. One is more concerned with the product itself whilst the other is associated with the prestige associated with the brand. This polarisation is exactly what the understanding of luxury so subjective. In other words, each individual's concept of luxury is different, meaning that luxury brands' conceptualization depends on consumer perceptions and knowledge of the brand (Ko et al, 2019). As stated in the Global Luxury Customer Journey (2015), the attribute most commonly related to luxury brands is high quality, and the purpose for buying luxury items is mainly self-reward.

Authors such as Duma et al. argued that luxury is both dynamic and relative, considering four key facets comprised of culture, economy, psychology, and sociology. Their research mentions the most common attributes regarding definitions of luxury - rarity, exclusivity, communication of status, exceptional quality, limited availability, social distinction, high prices, and relativity (Duma et al. 2015, p. 15).

Regardless of the many theories defining luxury, it is widely accepted that brand image is one of the strongest ways of obtaining a competitive advantage (Kapferer, 2012).

Focusing on the perception of luxury for consumers, Romaniuk (2020), concluded that the most important attributes of luxury brands are high quality, uniqueness, and distinctiveness. Customers perceive the aforementioned attributes as more important than an exceptional customer experience.

To sum up, Vigneron and Johnson (2004), using the prior work of Vigneron and Johnson (1999) and Dubois, Laurent, and Czellar (2001) as a basis for their work, synthesized the concepts used in these earlier works to propose a framework that glimpses the extent to which a good is categorized as luxurious (**Figure 1**). Vigneron and Johnson (2004: p. 485), defend that up until this point, there is no scale to measure a brand's perceived luxury, nor is there a clear definition of what makes a luxury brand vs a non-luxury brand.

Figure 1 - Luxury framework
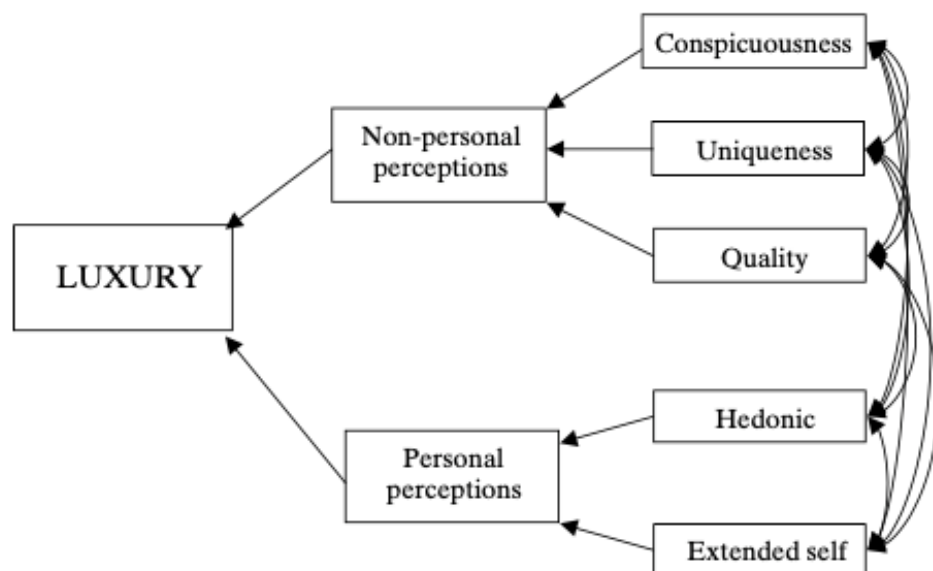
Source: Vigneron *et al*., (2004).

2.2. The Luxury Watch Industry

2.2.1. Context

According to Dahler (2017), Switzerland is known as the home of most luxury watchmakers, made famous for their accuracy, technical precision, boldness to innovate, and their history throughout the last century. Such innovations include the use of mechanical watch movements in luxury watches.

Up until the 2010s, Swiss watch exports were growing along with the industry's overall worldwide popularity. Countries fond of gifting, such as China, represented the lion's share of luxury watch exports.

Watchmakers tend to rely on a network of Authorized Dealers (commonly referred to as ADs) to market, distribute and sell their products. These business relationships have been strengthened over years (often decades) and the business model itself is solely based on traditional selling methods, namely in-store buying, which complements the luxury buying experience.

In addition to ADs, some brands have internal boutiques, which tackles the need of having a third party selling their products. Those not relying on ADs tend to experience an easier migration to the online world (Duma, Hallier- Willi, & Steinmann, 2015, p. 45).

Business strategy-wise, according to the Deloitte Swiss Watch Industry Study (2017), the two most important strategies for watch companies are to introduce new products and to develop digital channels, an approach that was not even considered back in 2016.

2.2.2. Success stories

Taking the favorable outcome of Montblanc, a Richemont group company, as an example, Montblanc started to navigate e-commerce waters in 2008, with the launch of their first online platform. Montblanc overcame various roadblocks over the years and was able to establish its platform, as shown in **Figure 2**. Analyzing Montblanc's success, one can understand that best practices in the digital market, such as website convenience and easy usage, choosing the right online arrangement to meet customer expectations, can and should be adopted by luxury brands. In a targeting effort, Montblanc chose to only sell products up to 10.000€, leaving high-end watches and jewelry to be sold through different channels (Huber, 2018).

Figure 2 – Montblanc e-commerce history
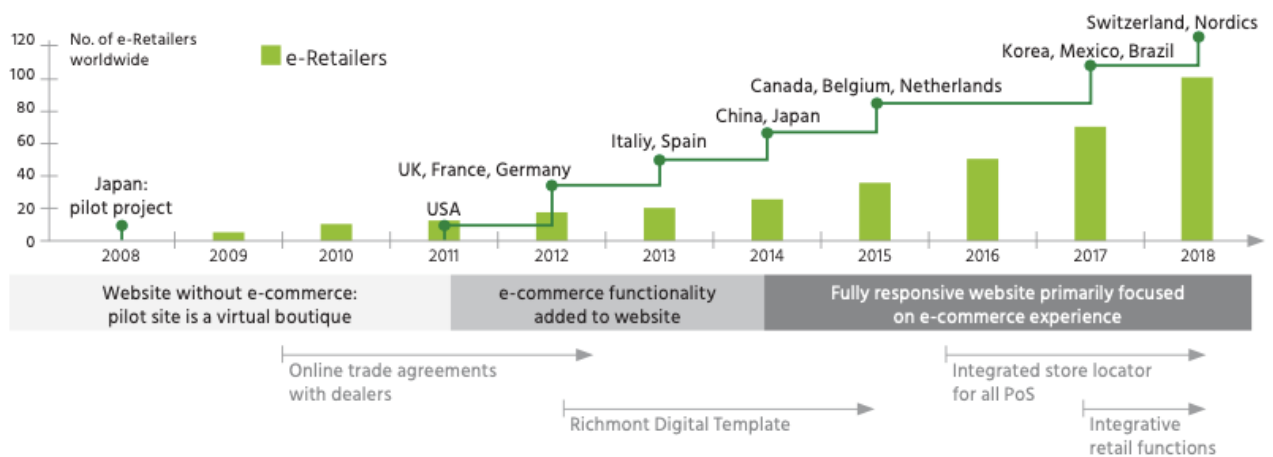
Source: Huber *et al* (2018).

Other brands have been trying to dive into the online market over recent years. Tag Heuer brought in a limited edition to be sold entirely online. In 2016, IWC announced its partnership with the luxury retailers Mr. Porter and Net-A-Porter, emphasizing its ambition to focus on e-commerce (Deloitte, 2017).

Furthermore, Kapferer and Bastien (2009) claim that there are rules for managing luxury brands, such as: focus on brand identity since when it comes to luxury, uniqueness is what matters the most. Luxury brands must focus on their uniqueness and identity, which is what differentiates them from any others. Be superlative, meaning that in luxury brand management, competitors are more immaterial. Plan to maintain a few flaws, which contribute to the brand's appeal, while still maintaining product excellence, such as the case of a Patek Philippe wristwatch, whose company warns consumers will lose 2 minutes every year and, finally, make it difficult for consumers to access their products, as luxury brands need to maintain its rareness and uniqueness.

2.3. Luxury and Electronic Commerce

2.3.1 Internet and E-commerce

With the arrival of Web 2.0, came a radical change in the way people use the Internet. According to Tagg et al (2013), this new generation contributed to the development of a new culture based on collaboration, support, open communications, and worldwide participation.

In fact, the Internet provides the possibility to broadcast messages available to everyone since it is nearly limitless support where buyers can see what the brand is all about through photographs, videos, and product demonstrations. (Okonkwo, 2010).

As stated by Moriset (2018), before juggernauts in the likes of Alibaba and Amazon revolutionized e-commerce by allowing third-party merchants/sellers on their platforms, business was conducted differently. Online stores used to buy items wholesale and then sell them to their customers for a profit, which meant they were fully involved in the transaction. With the innovations brought by the e-commerce giants, businesses have shifted from fully conducting the transaction to simply charging a fee to the third parties for allowing them on their platform. This has proved to be a successful formula since these juggernauts manage to pool millions/billions of potential buyers to the merchants willing to pay for the privilege. The perks for these small/medium enterprises (SMEs) include increased visibility and direct access to a complex, full-fledged logistics infrastructure on a global scale.

Despite the various types of e-commerce currently available depending on factors such as ordering, paying, and delivering (and whether those occur physically or digitally), some may not be considered fully electronic (Turban et al, 2017). The e-commerce label is applicable, even if just partially, to businesses in which at least one of the aforementioned factors happens digitally. Only when a business migrates all these factors to the digital realm can it be considered a pure e-commerce company. Those combining physical and digital processes are often referred to as click-and-mortar companies, a modern twist on the traditional brick-and-mortar concept.

2.3.2 Buying in-store vs buying online

In the past, luxury brands have prospered in brick-and-mortar environments. With the rise of the Internet, an increasing number of luxury brands expanded their presence to the online realm. Nonetheless, luxury brands fear that the elegant and aesthetic quality of luxury products may not be appropriately presented online (Kim, 2015) and that e-commerce will discredit their established reputation of exclusivity (Deloitte, 2015).

Nowadays, roughly six out of ten luxury sales are affected by the digital world (Abtan *et al.*, 2016). Digitalization allows companies to achieve a deeper understanding of actual customer needs and preferences. There is an increasing need for a presence, not only in physical stores but also online. The study shows that nearly 90% of millennials and 75% of baby

boomers who acquire luxury products are, indeed, prepared for omnichannel communications. Furthermore, the study explains that companies need to adapt and learn how digitalization is changing the industry. Luxury is not about traditional marketing and in-store communications anymore. Companies have to expand towards increasingly popular channels such as social media platforms, websites and even setting up their e-commerce options.

Taking advantage of the full scope of the internet is key. Hence, the main reason for the apprehension and hesitation of luxury brands to engage in online retailing lies in the apparent contrasts of luxury and the Internet. Whilst luxury stands for rarity, inaccessibility, and exclusiveness (Kapferer & Bastien, 2009), the Internet is characterized by accessibility and democracy (Hennings *et al.,* 2012).

As mentioned by Caru & Cova (2007), physical stores allow for the presentation of luxury products' high aesthetics in a dedicated, exclusive, and tailored ambiance. Such circumstances provide a full-fledged sensorial experience, which contrasts with the limitations imposed by an online platform. This lack of personalization and multi-sensory experiences place the internet as one of the key challenges that luxury retailers have to tackle – combining new technologies with the traditional, luxurious brand experience and image. Following Deloitte's (2019) insights, luxury brands need to understand their clientele, and knowing their preferences is key to provide the personalized experience that customers expect.

Consequently, Chiou (2017), linked the concepts of consumer's openness to online store shopping and shopping behavior. On the one hand, customers with high receptiveness to online shopping are keener to use the physical retail store to search information and the online store to purchase, as well as using the online store to search information and the physical store to purchase. Ultimately, customers also favor using the online store both for information searching and product purchasing. On the other hand, customers with higher openness to online store shopping feel discouraged towards using the physical store to search for information and buy products.

2.3.3. Online customer purchase intention

Knowing consumers' preferences, attitudes and other internal phycological factors is key towards predicting their behavior. Pavlou (2003) understands online purchase intention as the willingness of a consumer to acquire a product through a retailer's online store.

Among the key obstacles to the successful development and growth of e-commerce is the lack of online purchasing intention. How strong one's intention to buy online is will be defined by their online purchase intention. Consumer purchase intention is one of the sides of consumer cognitive behavior regarding a person's way to buy from a specific brand. In addition, Laroche, Kim, and Zhou (1996) include consideration and expectation as viable measurements of consumer purchase intention. Online retailers must take full advantage of shopping orientations and their impact on online buying intention.

According to Pavlou (2003), three main steps are making up online transactions: retrieval of information, its transfer, and product/good purchase. The first two are often associated with one's intention to navigate a website. The latter is better associated with a person's intention to deal and/or transact with a specific website. As Pavlou (2003) stated, purchase intention can be defined as the output manifested after a consumer shows willingness to get involved in an online transaction. There are three main differences between online and traditional transactions. The first one is the extensive use of technology in each transaction. The second one is the impersonal and abstract features inherent to online transactions. The third and final one is the wide range of technological infrastructures throughout the various processes and phases of online transactions.

As stated by Chen *et al.* (2007), one crucial element for retailers to thrive in an electronic commerce domain is trust, since it deeply affects customers' purchase intentions. Their research proposes that e-retailers should build their stores not only around safety, usefulness but also around trustworthiness. Finally, Kim *et al.* (2004), predict a positive relationship between internet purchase experience and purchase intention. The study shows that purchases made on the Internet have a favorable impact on the intention to make purchases on the Internet.

2.3.4. Customer preferences

Brun (2013) stated that, when buying online, customers value factors such as convenience, price, and product availability. Whereas when buying in-store, the most valued aspects are aesthetic allure and store trust. Buying at the store empowers the customers and makes them feel valued since they are treated with courtesy. According to this study, online luxury buyers have a higher level of trust towards online customer reviews and are more price conscious. In this context, Ribbink *et al.* (2004) defined trust as the level of assurance that clients have in online trading or the online trading channel.

Findings suggest that it is possible to sustain an impression of exclusivity in online platforms and still provide relevant services related to the concepts of luxury. Other factors that enhance luxury perception in omnichannel environments are product range, website design, and return policies (Balasyan, 2018).

Experts defend that due to low search costs and high price sensitivity, online customers tend to be more demanding regarding pre-purchase product research than traditional store ones. According to a study carried out by Chiu (2019), which comprises of two different experiments with a total of 350 volunteers, concluded that if sellers gain more insights on what drives customers when searching for products online, they can use those insights to improve website efficiency and, consequently, helping customers to decide. Moreover, the study indicates that consumers tend to perceive online search costs as an inexpensive and more convenient alternative to physically visiting an outlet or store. As a result, consumers are more motivated to search for products in an online setting. Olshavsky & Spreng (1989) defined search motivation as the will to gather, analyze and further treat information.

Understanding e-service quality is also key to fully grasp the importance of this topic. As stated by Kim, S. (2004) the most crucial strategic question when building an e-commerce platform is effectively delivering high-service quality when there is no direct customer contact. According to Santos (2003), e-service quality is comprised of two dimensions. Firstly, the incubative dimension, which relates to the design of the website, consists of intuitiveness, appearance, linkage, layout, and content. Secondly and lastly, the active dimension, which relates to attributes provided by the website, consists mainly of reliability, efficiency, support, and cybersecurity.

Kim, J. (2018) studied consumers' perception and the impact of e-service quality in luxury fashion websites as well as the website's influence on customer satisfaction. The study shows that online luxury buyers value dimensions such as transaction, trust, and product presentation. These three attributes were positively correlated with satisfaction and product presentation was also associated with loyalty. As stated by Shin & Darpy (2020), when buying luxury goods online, the top three factors that consumers consider and value are brand image, price, and lastly, aesthetics. Another study carried out by Kim et al. (2011), positively associated website customization with e-satisfaction. Additionally, customization based on consumers' specific needs complemented by a customized service could place e-shopping as a superior, more

attractive way of shopping. As stated by Ribbink (2014), one key perk of online stores is their ability to adapt to each customer's needs as opposed to one-size-fits-all physical stores.

According to Kim (2007), customization could reduce time spent searching for one's desired products on a company's website. It could also directly present customers with targeted products based on their account information and browsing patterns when e-shopping. A properly customized website can save customers valuable time and increase transaction efficiency (Srinivasan et al., 2002). As demonstrated by Singh (2002), e-retailers could also benefit from the additional data provided by customers since it would allow for more targeted and improved customer service, ultimately resulting in increased loyalty and satisfaction.

Moreover, according to Balasyan (2018), it is possible to keep the sense of exclusivity in online platforms and to provide service that is appropriate and related to the concepts of luxury. Such a sense of exclusivity would have to distance luxury brands from mass-market ones. Differentiators allowing that to happen include a curated product range, polished web design, fast/seamless delivery, and comprehensive return policies. Online luxury buyers seek convenience, a smooth browsing experience, and wide access to information. As pointed out by Hennings (2012), it is easier to present the exclusivity of luxury in physical stores than in digital ones.

The importance of rating and reviews as valuable indicators to aid consumers' buying decisions is discussed by Shin & Darpy (2020). A survey was conducted, and the results have shown that ratings and reviews are rated as helpful by more than 70% of the 421 participants. In fact, according to the authors, reviews can be helpful to get more details and opinions about the products before making a final decision in which product fits the consumers' needs.

2.4. Problem

While luxury watchmakers and ADs have thrived for decades under this business model, problems seem to lie ahead for both parties. The digital revolution of the 21st century radically shifted consumer habits, namely how they browse and shop (Dahler, 2017). In a span of just ten years, people have grown accustomed to buying products from the comfort of their homes, often forgoing the entire in-store experience. Such a shift also applies to luxury products.

This problem is highlighted by the fact that, according to Abtan et al., 2016, p.2, around six in ten luxury sales are influenced by digital platforms. Fortunately, luxury watchmakers

could still recover from years of unresponsiveness to the astounding growth of digital marketplaces.

Such shifts pose a threat to both watchmakers and ADs since most watch companies' sole distribution channel is their network of ADs, which focuses on the in-store buying experience rather than online channels. Therefore, a call for change in how the luxury watch buying experience is transmitted to consumers is necessary. Dealers now have to cater to online-only luxury shoppers while maintaining and ideally improving the customer experience. As luxury fashion and technology thrive in online marketplaces, the luxury watch industry can benefit from such best practices (Okwonko, 2010).

To conclude, it is clear that luxury watch companies are trying to craft their strategies to have a stronger presence in digital markets. However, the question remains whether customers are ready and willing to buy these specific products online. Few studies correlate and study these two variables, which will be the focus of this thesis, ultimately bridging these concepts and providing more insights on what customers desire and value when buying these goods on an online platform.

3. Research Methodology

3.1. Research approach and objectives

As explained by Hahn Fox et al (2014), the methodology part aims to explain how a study was carried out in detail so that other researchers can judge the research's merits and perhaps reproduce it. In other words, the methodology describes the specific methods used and explanation for them, when developing a dataset, results, and conclusions in an empirical research study.

The goal of this thesis is therefore to understand whether customers that buy luxury watches are willing to buy those products online instead of buying in physical stores and what motivates them. More precisely, the key research question of this study is "What influences customer purchase intention when buying luxury watches online?". Several studies indicate that the key difference between online and offline shopping are disparity in perceived search costs and price sensitivity (Chiu, 2019). Additionally, since the structure and composition of the luxury sector are being modified by digital (Abtan, 2016), companies need to adapt to what consumers value and want.

Consequently, the most important aspects that are important to customers when buying luxury products online were taken from the literature. The main objective of this thesis is to understand customer's behavior when specifically shopping for luxury watches online.

Thus, this research aims to answer the following research questions:

RQ1: How does price affect luxury watches purchase intentions?

RQ2: How does website customization and personalization impact customers' buying intentions?

RQ3: To what extent is receptiveness to online stores an important aspect for customers' purchase intention?

RQ4: Does a consumer's initial online trust affect their purchase intention?

RQ5: What is the influence of luxury watches website's appearance and design on customers' buying intentions?

RQ6: Are purchase intentions the same regardless of previous online experience?

To address the previously stated research questions, a set of hypotheses was formulated based on the literature. Following extensive research on the foregoing concepts and theories, the hypotheses to be tested are related to the e-commerce and website factors that impact purchase intentions and hypotheses related to the respondent's previous experience with online shopping. The first group of hypotheses is:

H1: Price is associated with customer purchase intention.

H2: Website customization influences customer purchase intention.

H3: Receptiveness to online stores is positively related to customer purchase intention.

H4: Trust is related to customer purchase intention.

H5: Website appearance influences online purchase intention.

Moreover, to understand if the consumer's purchase intentions change with previous purchase history of luxury watches online, another hypothesis was developed:

H6: Purchase intentions remain equal regardless of purchase history.

3.2. Data Collection

To address the research questions and collect data, a quantitative analysis was performed. As demonstrated by Bulmer (2004), surveys are useful and effective tools for gathering respondents' social behavior characteristics and causes for attitudes on certain items under research. As described by Prodanov et al. (2013), two research approaches can be performed: qualitative research and quantitative research. The method used in this phase of the study is a quantitative approach, which allows for larger samples to be obtained through questionnaires and other data collection methods. Hence, this methodology was chosen with the goal of obtaining the greatest number of responses in the shortest amount of time. Other benefits associated with this method of data collection and tested by the investigator include the lack of monetary resources during the collection period and the ability to quantify the answers so that they can later be analyzed using descriptive statistics and hypotheses testing.

A questionnaire was drawn up using scales to measure the constructs. Namely, the construct Price Consciousness was adapted from Darden et al (1976) scale and items, Customization was modified from Kim et al (2011) to fit the research, Receptiveness to online store scales and items were retrieved from Chiou et al (2017), the construct Trust was modified

from De Wulf's et al (2011) research, and, finally, the construct Web Appearance was adjusted from Kim et al (2004). As for the measurement of the dependent variable online purchase intention, the scale from Van der Heijden et al (2003) was customized to suit these research specifications. A summary of the items and scales to measure the constructs can be seen in **Table 1**.

Table 1 - Items and scales applied in the questionnaire

Construct and scale	Items	Authors
Price awareness *1 – very unlikely; 5 – very likely*	- I find myself checking the prices of the luxury wristwatch that I want to buy. - It is important for me to get the best price for the luxury products I buy. - I compare the prices of at least a few online retailers before I chose one. - I'm willing to make an extra effort to find a lower price. - I will change what I had planned to buy in order to take advantage of a lower price - I am sensitive to differences in price.	Darden, W. R., & Perreault Jr, W. D. (1976).
Customization *1- Strongly disagree; 5 – Strongly agree*	I would value a website that: - Offered a gift-wrapping service that satisfied customer needs when purchasing gifts online. - Provided an option to purchase gift cards that were personalized for me. - Provided an option to purchase personalized gifts.	Kim, J. H., Kim, M., & Kandampully, J. (2011)
Receptiveness to the online store	- How likely is it that you would use this store's website?	Chiou, J. S., Chou, S. Y., & Shen, G. C. C. (2017).

1 – very unlikely; 5 – very likely	- How likely is it that you would consider purchasing from this online store in the short run? - How likely is it that you would consider purchasing from this online store in the future? - You would buy luxury watches from an online store.	
Trust 1- Strongly disagree; 5 – Strongly agree	- This store gives me a feeling of trust. - I have trust in this store. - This store gives me a trustworthy impression. - This site provides adequate information about the company's history so I feel I can trust this website.	De Wulf, K., Odekerken-Schröder, G., & Iacobucci, D. (2001)
Web appearance 1- Strongly disagree; 5 - Strongly agree	- The website displays a visually pleasing design. The website is visually pleasing. - The website is visually appealing. - It would be easy for me to become skillful at using the website. - Learning to operate the website is easy for me. The display pages within the website are easy to read.	Kim, Soyoung, Stoel, Leslie (2004).
Online purchase intention 0 – Not likely at all; 10 – Extremely likely	- How likely is it that you would visit a luxury watch store website? - How likely is it that you would consider purchasing from a luxury wristwatch website in the short term?	Van der Heijden, H., Verhagen, T., & Creemers, M. (2003)

| - How likely is it that you would consider purchasing from this website in the longer term? |

Source: Author's elaboration

As mentioned above, the questionnaire for this thesis was developed based on previous studies and an online platform named Qualtrics was used to collect data. The survey is comprised of seven different parts with closed questions that were measured using a 5-point Likert scale. The survey was administered through social media platforms in form of an anonymous link and participants were asked to share the link, resulting in a total of 202 responses. The questionnaire was originally developed in English and was translated to Portuguese.

Before distributing the questionnaire, a pilot test with 10 users was performed in order to analyze the content validity and accuracy. Following the pre-test, some linguistic and presentation improvements were implemented.

The final questionnaire is divided into seven parts. The first six are related to the constructs mentioned in **Table 1**. Before answering the questions related to the constructs Receptiveness, Trust, and Website Appearance, respondents were presented with images from online retailers such as Cartier, Panerai, and Rolex to have an example of what a typical luxury watch e-store looks like. Lastly, the seventh part contained questions regarding the respondent's profile. The final version of the online questionnaire can be found in **Appendix 1**.

Concerning the sample, the goal is to obtain answers from individuals that are familiar with the luxury watch market and its specificities, regardless of age and academic qualifications. The best scenario is that most respondents already had some experience buying these types of products from an online store. Nevertheless, since e-commerce is still a work in progress, it may be challenging to gather a significant number of responses from actual online luxury watch buyers.

In the following chapter, the analysis of the data gathered is performed. To analyse the questionnaire results, the SPSS software will be used to perform a series of statistical tests on the independent and dependent variables.

4. Data analysis

4.1. Sample characterization

In this chapter, the analysis of the outputs of the survey will be carried out. To begin with, the sample description is going to be presented. The questionnaire had three questions addressing sample description. The first was asking about the age of the respondents, the second was related to the level of education, and the last one was about the experience with electronic shopping. More exactly, the question was "Have you ever bought a luxury watch online?". The sample of this study consists of a total of 202 participants.

According to **Figure 3**, the majority of participants are aged between 31 and 50 years old, which accounts for 46% of responses. The second largest age group are individuals aged between 20 and 30 years old (31.2% of responses). Finally, almost 21% of participants are in the age gap of 51 to 70 years old.

Figure 3 - Age of the respondents
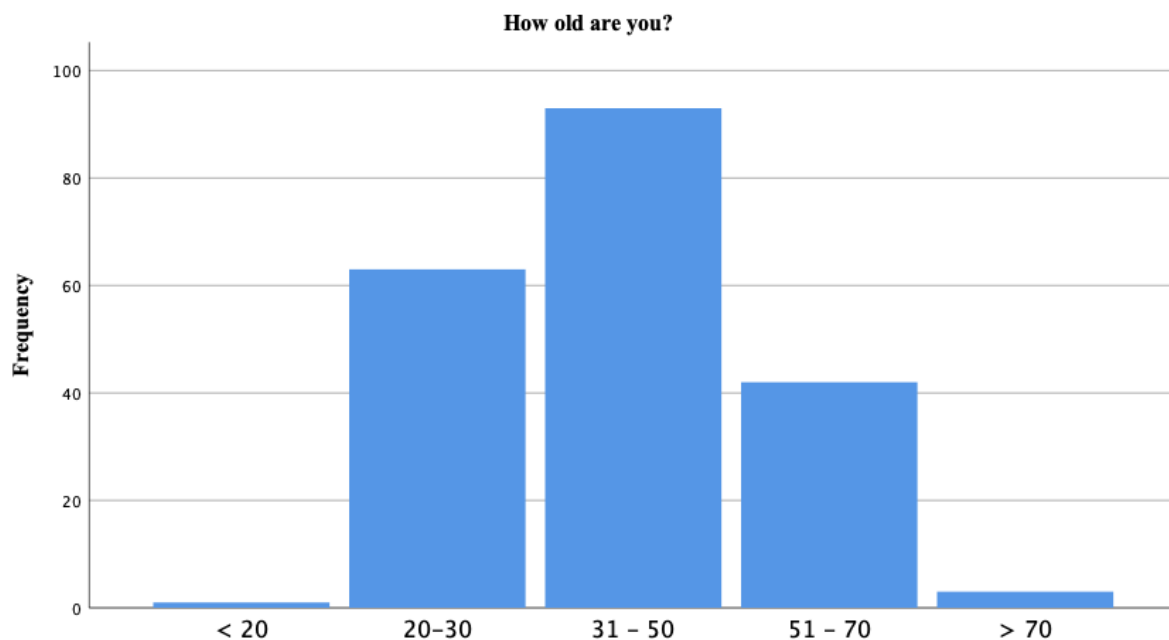
Source: SPSS data output

Considering the educational levels, from the 202 respondents, **Figure 4** shows that can be concluded that the majority is highly educated since nearly 41% have a master's degree and

just under 37% have a bachelor's degree. As for individuals with high school, it accounts for just above 20% of the sample. Thus, it was possible to reach several qualifications across the sample, representing a good outcome for this research.

Figure 4 - Level of education

Level of education
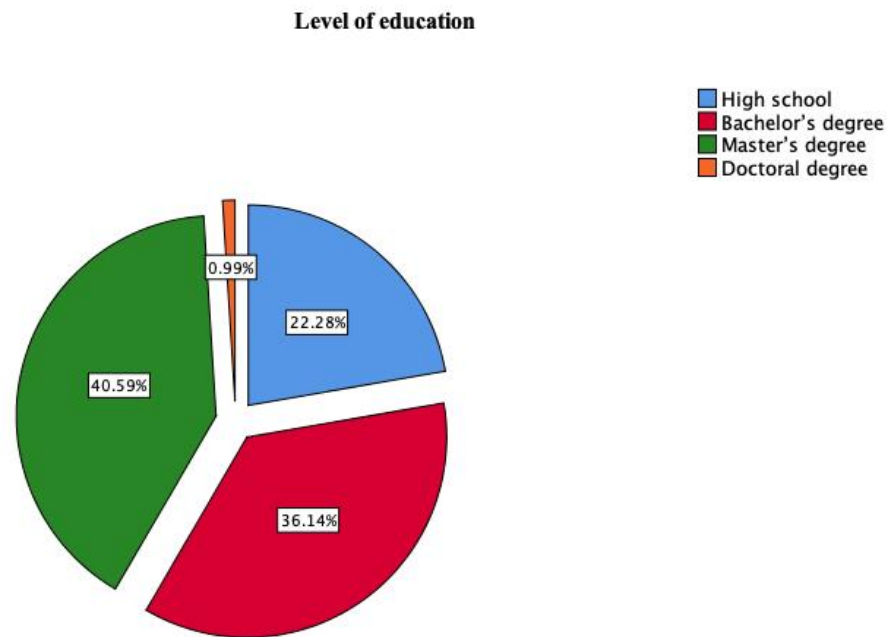
Source: SPSS data output

The last question intends to investigate whether participants already bought luxury watches online or not. As expected, the number of affirmative responses is quite low, meaning that most respondents never bought a watch on a website. As seen in **Figure 5**, approximately 17% (35 people) of respondents already purchased a luxury watch online, whereas almost 83% never had that experience before.

Figure 5 - Experience in online shopping

Have you ever bought a luxury watch online?

Yes
No

17.33%

82.67%
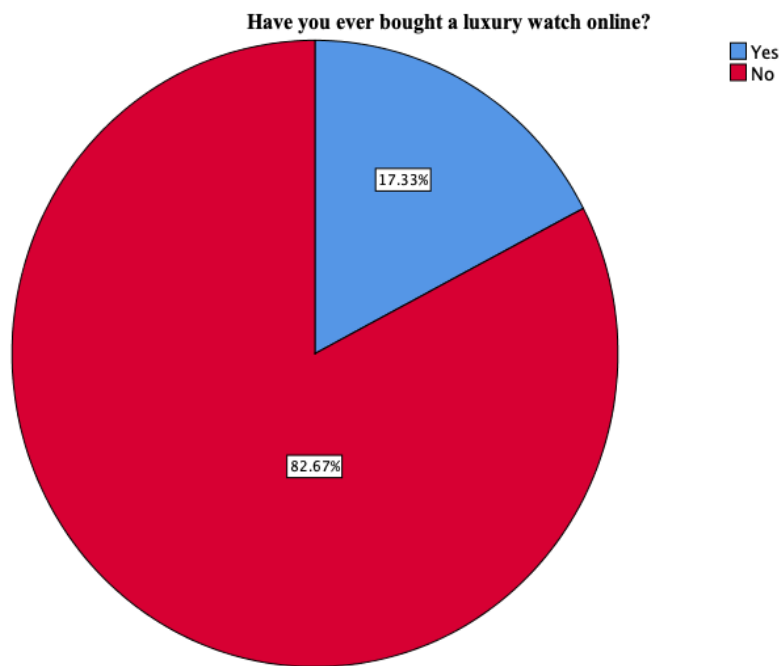
Source: SPSS data output

4.2. Quantitative content analysis

According to the literature, some website attributes are perceived to influence consumers' purchase intentions. To study Purchase Intentions, the variables to approach are Receptiveness to Online Store, Price Awareness, Trust, Customization, and Website Appearance.

All of the components were measured through different items, which can be found in detail in **Table 1.** Respondents were asked to answer to the several indicators on a five-point Likert Scale. All the data were treated using the software IBM SPSS Statistics.

4.2.1. Reliability of the constructs

First of all, each construct is examined by calculating the mean and standard deviation of each item. In addition, the reliability of the constructs is assessed by using Cronbach's α coefficient. This coefficient of dependability, according to Tavakol and Dennick (2011), expresses the degree to which a group of indicators or items measure the same idea, with values ranging from 0 to 1, where values closer to 1 represent higher correlations. Furthermore, it is predominantly agreed that values higher than 0.7 are considered acceptable.

Table 2 - Mean, Standard Deviation, and Cronbach's Alpha of the Variables

Variable	Mean	Std. Deviation	Cronbach's α
Receptiveness to the online store	3.12	1.019	0.783
Price	3.76	0.823	0.775
Trust	4.03	0.779	0.891
Customization	3.89	0.831	0.725
Website appearance	4.24	0.753	0.914
Purchase Intention	6.15	2.770	0.868

Source**:** Author's elaboration based on SPSS outputs

The variables presented were obtained by calculating the arithmetic mean of the corresponding indicators. Through the interpretation of **Table 2**, it is possible to confirm that all six Cronbach's Alphas are greater than 0.7, which confirms the overall consistency of the constructs, i.e., that the items are suitable to describe the construct.

According to the same data, the mean values of these variables range between 3.1 and 4.2, corresponding to rather high values, which exhibits that, on average, consumers generally find website appearance important when shopping online (M = 4.24). Concerning Trust, the mean of all the items that compose the construct is 4.03 which means that consumers widely trust luxury watches' online stores. The third highest mean is the variable Customization (M=3.89), meaning that consumers are less concerned with product customization when browsing online along with price, which does not seem to be a concern amongst luxury watch buyers (M=3.76).

The variable Receptiveness to the Online Stores appears to be the least relevant for customers, with a mean of 3.12. However, its standard deviation accounts for 1.02, the highest amongst all items, suggesting that data is more spread out, which will be analyzed in more detail in the chapters ahead.

Ultimately, the construct Purchase Intention was measured with a scale from 0 – Not likely at all to 10 – Extremely likely and was measured with three items that can be consulted in **Table 1**. The mean is 6.15, meaning that respondents tend to the neutral side when asked about their purchase intentions but are somewhat inclined to purchase luxury watches online. It is the variable with the highest standard deviation, proving that there are scattered opinions.

As it was explained in the methodology, the constructs were measured with different items. To interpret and analyze the results obtained from the questionnaire, descriptive statistics for each construct (mean and standard deviation) were performed in the following sections.

4.2.2. Price awareness

After ensuring the reliability of the constructs, each item is analyzed by calculating its mean and standard deviation.

Table 3 - Descriptive statistics for the construct Price Awareness

Variable	Mean	Std. Deviation
I find myself checking the prices of the luxury wristwatch that I want to buy.	3.83	1.245
It is important for me to get the best price for the luxury products I buy.	4.17	1.001
I compare the prices of at least a few online retailers before I chose one.	3.95	1.101
I'm willing to make an extra effort to find a lower price.	3.91	1.082
I will change what I had planned to buy in order to take advantage of a lower price	2.82	1.474
I am sensitive to differences in price.	3.92	.994

Source: Author's elaboration

As seen in **Table 3**, the mean of the variable Price Awareness ranges between 2.82 and 4.17, suggesting that participants have different perceptions regarding the price of luxury watches.

On the one hand, consumers find it important to get the best price for the product and often compare the prices between retailers when browsing for a watch. On the other hand, the respondents will not typically change their plans to take advantage of a lower price. The mean of the last item (M = 3.92) indicates that consumers tend to be price sensitive. Regarding

Standard Deviation, the highest value is 1.474 in the item "I will change what I had planned to buy in order to take advantage of a lower price" which indicates that there are more responses above and below the mean. More specifically, respondents have different opinions and perceptions concerning the price of luxury watches.

4.2.3. Customization

Customization was measured using three different items, with a scale from 1 (Strongly agree) to 5 (Strongly disagree). The mean and standard deviation values are shown in **Table 4.**

Table 4 - Descriptive statistics for the construct Customization

Variable	Mean	Std. Deviation
I would value a website that offered a gift-wrapping service that satisfied customer needs when purchasing gifts online.	3.98	.974
I would value a website that provided an option to purchase gift cards that were personalized for me	3.43	1.224
I would value a website that provided an option to purchase personalized gifts.	4.24	.866

Source: Author's elaboration

According to **Table 4**, it is possible to conclude that two of the indicators are above 3 and consistent around 4, which means that overall, respondents enjoy a customized website that fits their specifications. The least appreciated item is the option to purchased personalized gift cards, which means that participants tend to be more neutral regarding this item. The highest standard deviation is also in the previously mentioned item, pointing to a higher deviation of responses from the mean.

4.2.4. Receptiveness to the online store

The third construct (Receptiveness to online store) examines to what extent customers are willing to buy luxury watches online, both in the short and long term. The mean values (**Table 5**) are all around 3, which is lower than the previous constructs. Particularly, the second item ("How likely is it that you would consider purchasing from this online store in the short run?") has the lowest mean (M = 2.75), demonstrating that the respondents are not particularly enthusiastic about buying luxury wristwatches on a website. As for the other items, the respondents tend to be neutral about the statements. However, all the standard deviation values are greater than 1 in this construct.

Table 5 - Descriptive statistics for Receptiveness to Online Store

Variable	Mean	Std. Deviation
How likely is it that you would use this store's website?	3.51	1.185
How likely is it that you would consider purchasing from this online store in the short run?	2.75	1.293
How likely is it that you would consider purchasing from this online store in the future?	3.04	1.253
You would buy luxury watches from an online store.	3.17	1.488

Source: Author's elaboration

4.2.5. Trust

The construct Trust measures the level of trust and reliability towards online stores in the specific luxury watch industry. Results can be seen in **Table 6**.

Table 6 - Descriptive statistics for Trust

Variable	Mean	Std. Deviation
This store gives me a feeling of trust.	4.13	.885

I have trust in this store.	4.07	.903
This store gives me a trustworthy impression.	4.18	.841
This site provides adequate information about the company's history so I feel I can trust this website.	3.72	.958

Source: Author's elaboration

For this construct, four items are measured, as described in **Table 6**. The mean value of all items is situated around 4, which indicates that the respondents are willing to trust luxury watches' online stores. Most participants find that the online store gives them a trustworthy impression (M=4.18), as well as a feeling of trust (M=4.13). Since all the item's standard deviations are below 1, it can be concluded that most responses are close to the mean.

4.2.6. Website Appearance

Website Appearance investigates whether consumers believe that luxury watches websites have an appealing and pleasing design if they think the website is easy to navigate and if it is user-friendly. For this construct, six items were used, and the results can be found in **Table 7**.

Table 7 - Descriptive statistics for Website Appearance

Variable	Mean	Std. Deviation
The website displays a visually pleasing design.	4.24	.969
The website is visually pleasing.	4.25	.956
The website is visually appealing.	4.19	.990
It would be easy for me to become skillful at using the website.	4.23	.864
Learning to operate the website is easy for me.	4.34	.764

The display pages within the website are easy to read.	4.19	.839

Source: Author's elaboration

The mean values are situated between 4.19 and 4.34. To measure this construct, respondents were asked their level of agreeableness towards the statements presented in Table 7. A value of 1 indicates "Strongly disagree" and 5 "Strongly agree". Generally, participants find the website design appealing and pleasing. They also agree that it is easy to navigate through the online store. The standard deviation values, in similarity to the previous construct, are all below 1.

4.2.7. Purchase intention

The last construct's, main goal is to measure if respondents are willing to consider visiting and purchasing luxury watches from an online store. Therefore, participants were asked to answer three questions regarding the topic on a scale from 0 (Not likely at all) to 10 (Extremely likely). Results can be found in **Table 8**.

Table 8 - Descriptive statistics for Online Purchase Intention

Variable	Mean	Std. Deviation
How likely is it that you would visit a luxury watch store website?	7.65	2.886
How likely is it that you would consider purchasing from a luxury wristwatch website in the short term?	4.68	3.107
How likely is it that you would consider purchasing from this website in the longer term?	6.13	3.328

Source: Author's elaboration

The mean of the second item ("How likely is it that you would consider purchasing from a luxury wristwatch website in the short term?") is the lowest, suggesting that participants are

not keen on buying a luxury watch online in the short term. However, the mean increases to 6.13 when considering a long-term perspective. The highest mean belongs to the first item ("How likely is it that you would visit a luxury watch store website?"), set at 7.65 meaning that subjects are willing to visit and browse through luxury watches online stores. Lastly, the standard deviation values are relatively high in all three items.

4.2.8. Regression analysis

Regression analysis is a popular method in market research because it allows market researchers to examine connections between dependent and independent factors to predict a particular outcome (Mooi & Sarstedt, 2011). In other words, the goal of regression analysis is to verify if the dependent variable can be explained through other independent variables. As a result, multiple regression analyses were performed to test the previously stated hypotheses.

The following assumptions of the Multiple Linear Regression Model must be gathered for this test: the linearity of the relationship between each independent variable and the dependent variable; the mean of the residual component of the model is zero; the independent variables are not correlated with the residual terms; there is no correlation among the residual terms; the variance of the random term is constant; normality of the residuals; there is no correlation among the independent variables. If the coefficient of an independent variable X is considerably different from zero, it affects the dependent variable Y. As a result, testing of coefficients B is required. The hypotheses for each independent variable X are as follows: H0 indicates that the coefficient is zero and H1: The coefficient is not zero. H0 is rejected if sig < 0,05, and it may be inferred that the variable associated with this coefficient impacts the dependent variable.

The conceptual model was created in a way that the variable Purchase Intention works as a predictor between perceived website quality characteristics and behavioral intentions, specifically Price Awareness, Customization, Receptiveness to the Online Store, Trust, and Website Appearance.

Before interpreting the results, all the assumptions of the Multiple Linear Regression model were met. A correlation analysis was performed to assess if there is a strong or weak correlation between the variables. The Pearson Correlation Coefficient measures the intensity and direction of the linear association (correlation) between two quantitative variables. It varies between −1 and +1. Values close to 0 indicate a weak linear association; values close to −1

indicate a strong and negative linear association, whereas values close to +1 indicate a strong and positive linear association. Results can be found in **Figure 6**.

Figure 6 - Correlation matrix

Correlations

		RECEP	PI	PRICE	TRUST	CUSTOM	APPEAR
RECEP	Pearson Correlation	1	.599**	.141*	.128	.092	.246**
	Sig. (2-tailed)		.000	.045	.069	.192	.000
	N	202	202	202	202	202	202
PI	Pearson Correlation	.599**	1	-.094	-.049	.037	.159*
	Sig. (2-tailed)	.000		.183	.486	.597	.024
	N	202	202	202	202	202	202
PRICE	Pearson Correlation	.141*	-.094	1	.216**	.277**	.140*
	Sig. (2-tailed)	.045	.183		.002	.000	.048
	N	202	202	202	202	202	202
TRUST	Pearson Correlation	.128	-.049	.216**	1	.327**	.405**
	Sig. (2-tailed)	.069	.486	.002		.000	.000
	N	202	202	202	202	202	202
CUSTOM	Pearson Correlation	.092	.037	.277**	.327**	1	.191**
	Sig. (2-tailed)	.192	.597	.000	.000		.006
	N	202	202	202	202	202	202
APPEAR	Pearson Correlation	.246**	.159*	.140*	.405**	.191**	1
	Sig. (2-tailed)	.000	.024	.048	.000	.006	
	N	202	202	202	202	202	202

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS data output

Based on **Figure 6**, the variables Receptiveness to the Online Store, Customization, and Website Appearance have a strong linear correlation with Purchase Intention since its values are close to 1. The variables Price Awareness ($r = -0.94$) and Trust ($r = -0.49$) have a weak correlation with Purchase Intention.

Tolerance and VIF values were tested for the regressions. VIF values are inferior to 10, and tolerance is above 0.1, indicating that there are no collinearity issues.

Table 9 - Determinants of Purchase Intentions

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	3.196	1.181		2.706	0.007		
PRICE	-0.601	0.196	-0.178	-3.071	0.002	0.894	1.118
RECEP	1.677	0.155	0.617	10.814	0.000	0.927	1.078
TRUST	-0.503	0.224	-0.141	-2.246	0.026	0.761	1.313
CUSTOM	0.205	0.199	0.061	1.029	0.305	0.846	1.183
APPEAR	0.285	0.227	0.078	1.259	0.210	0.794	1.259

a. Dependent variable: PI

Source: Author's elaboration based on SPSS outputs

The results from this test shown in **Table 9** indicate that both Customization and Website Appearance are not relevant to the model and do not have a direct impact on Purchase Intentions since the p values exceed 0.05. The unstandardized β coefficients allow the researcher to compare the average effect of each independent variable on the dependent variable. A unit increase in receptiveness to online stores would lead, on average, to an increase of 1.677 in consumer's purchase intentions.

The outputs prove that not all constructs influence customers' purchase intentions. While price awareness, openness to online stores, and website trust can be accepted as predictors of purchase intentions, factors such as customization and website design do not influence purchase intent.

It is pertinent to remind that the factors are measures on a scale from 1 to 5, in which 1 is Strongly Disagree and 5 is Strongly Agree. This means that increasing the evaluation of any of the criteria is improving it.

Finally, to assess the model's validity, the ANOVA test for Linear Regression was performed. In this test, the null hypothesis predicts that all β are equal to zero whereas H1 states that they are all different from zero. If sig < 0.05, we reject H0.

Figure 7 - ANOVA's test results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	629.032	5	125.806	27.002	.000^b
	Residual	913.201	196	4.659		
	Total	1542.233	201			

a. Dependent Variable: PI
b. Predictors: (Constant), APPEAR, PRICE, RECEP, CUSTOM, TRUST

Source: SPSS data output

According to the test results, once sig = 0.000 < α = 0.05, we reject H0 and conclude that the model is valid and that the explanatory variables are useful to explain Purchase Intentions and should be kept in the model.

4.2.9. Independent samples t-test

Since the population is divided into two different groups – participants who already bought luxury watches online and participants who have not – an independent t-test was performed to verify the equality of means of the two groups and to assess **H6** validity. For this test, similar to the regression analysis, some assumptions must be met. The dependent variable should be approximately normally distributed for each group of the independent variable. According to the Central Limit Theorem, groups are approximately normal if the sample size is larger than 30.

The test output is different depending on Levene's test for homogeneity of variances results. The null hypothesis for this test is "The populations under consideration have equal variances" and H1: The population has different variances. If sig. < 0.05, the null hypothesis is rejected, and it can be concluded that the two populations have different variances.

Regarding the Independent samples t-test, the hypotheses are:

H0: The population means from the two groups are equal.

H1: The population means from the two groups are not equal.

If sig. < 0.05 the null hypothesis is rejected, and it can be considered that the population means are not equal.

Table 10 - Independent samples t-test results

	Levene's test for equality of variances		t-test for Equality of Means				
	F	Sig	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equal variances assumed	25.461	0.000	5.958	200	0.000	2.835	0.476
Equal variances not assumed			8.814	94.327	0.000	2.835	0.322

Source: Author's elaboration based on SPSS data

All the assumptions were met before proceeding to the test. Since n > 30, according to the Central Limit Theorem, approximate normality can be assumed.

Regarding Levene's test for equality of variances, since sig = 0.000 < a = 0.05, we reject H0 and conclude that the populations have different variances. The test of equality of means has a significance of 0.000, which is smaller than alpha (0.05). Thus, we reject H0 and conclude that the means of the populations are significantly different.

Given this output, it can be said that customer's purchase intentions are different according to the previous buying experience. To rephrase it, individuals that already bought luxury watches online have different purchase intentions than respondents who have not.

5. Discussion and Findings

5.1. Validation of hypotheses

The previously presented results had the main objective of studying the determinants of consumers' purchase intentions in online luxury watches stores, particularly the influence of individuals' experience on those websites, some website characteristics, and trust in individuals' purchase intentions. This chapter's goal is to validate the research hypotheses previously formulated, based on the results obtained in the data analysis.

The results of the tests, as well as their significance, may be used to determine if there is a significant linear relationship between the independent and dependent variables. The Beta coefficients indicate the degree and direction of the relationship between the independent and dependent variables.

5.1.1. Hypotheses regarding website and behavioral factors

Hypothesis 1 (**H1**) intends to analyze if price influences online purchase intentions. After completing a Multiple Linear Regression analysis, seen in **Table 9**, since sig < 0.05, we rejected the null hypothesis concluding that the coefficient of this variable is different from zero. Hence, H1 can be accepted, and it can be confirmed that, as expected, price awareness does influence consumers' buying intentions. Its β is equal to -0.601 and shows that despite being related, the variables have a negative relationship. If price consciousness is increased by one unit, willingness to purchase will decrease on average 0.601 units.

Hypothesis 2 (**H2**) predicts a positive influence between website customization and online purchase intentions. As results have shown, since sig = 0.305 the null hypothesis is not rejected, demonstrating that this specific construct is not relevant to explain the model. H2 is not validated, and it is inferred that product customization, personalized gift cards, and gifts do not impact customer's buying aim.

H3 states that customers' openness to online shops impacts customers intention to purchase. It intends to show that if consumers are open and willing to buy luxury watches online, then their willingness to buy is higher. According to the statistical test results, sig < 0.05, showing that this variable is relevant to the model. The β = 1.677 shows that if there is an

increase in one unit of openness to e-stores, purchase intentions will increase on average by 1.677 units. Thus, H3 is validated.

Concerning hypothesis 4 (**H4**), it predicts an association between trust in e-stores and willingness to buy. The significance of the variable is 0.026 which is smaller than 0.05. This shows that trust in the websites has an impact on purchase intentions. However, $\beta = -0.503$ which implies that there is a negative association between the independent and dependent variables. If trust increases by 1 unit, consequently, purchase intentions will decrease on average by 0.5. It can be concluded that H4 is validated.

Lastly, hypothesis 5 (**H5**) estimates a positive influence of e-store appearance such as website design, if it is easy to use, if it is appealing, among other criteria. The statistical results indicate that, given that the sig > 0.05, the null hypothesis is rejected, confirming that this specific coefficient is not relevant to explain the dependent variable (Purchase Intention). Given this outcome, website appearance does not seem to have any influence on consumer's buying intentions, leading H5 not to be validated.

5.1.2. Hypothesis regarding previous experience

Hypothesis 6 (**H6**) intends to understand whether consumer's purchase intentions remain equal no matter if consumers already bought luxury watches online or not. It was tested using an independent samples t-test. The outcomes of the test, shown in **Table 10**, indicate that the means of the variables are different (sig. < 0.05), meaning that customer's purchase intentions do change in the two groups of respondents. Considering the results, **H6** is not validated.

5.2. Summarized results

Table 11 - Table of summarized results of tests performed

Hypotheses	Statistical test	Conclusion	Annexes
H1: Price is associated with customer purchase intention	Linear Regression	**Supported**	**Appendix B**
H2: Website customization has an	Linear Regression	**Not supported**	**Appendix B**

influence on purchase intention.			
H3: Receptiveness to online stores is positively related to customer purchase intention.	Linear Regression	**Supported**	**Appendix B**
H4: Trust is related to customer purchase intention.	Linear Regression	**Supported**	**Appendix B**
H5: Website appearance influences online purchase intention.	Linear Regression	**Not supported**	**Appendix B**
H6: Purchase intentions remain equal regardless of purchase history.	Independent Samples t-test	**Not supported**	**Appendix C**

Source: Author's elaboration

5.3. Results discussion

This dissertation's purpose is studying consumers' online buying intentions regarding luxury watches. More explicitly, the main factors that influence purchase intentions. Therefore, a literature review was developed to identify the main characteristics that luxury products buyers find important and to later study those attributes in the luxury watch industry. In this subchapter, this dissertation's findings and the results from the literature review will be compared.

The results indicate that luxury watch buyers are indeed price sensitive, as shown in Table 3, in line with findings from Brun *et al.* (2013), which analyzed this construct for luxury goods in general and compared the online and in-store shoppers. This dissertation further extends this concept by investigating the effect of price on purchase intentions for online shopping of luxury

watches. Indeed, according to the tests performed, high watchmaking shoppers who are more price aware, also present a greater motivation to purchase these products online.

Furthermore, results do not confirm that website customization has an influence on purchase intentions. This relationship was explored by Kim *et al*., (2011) and findings indicate that customization (among other factors) has a positive impact on e-satisfaction and that it mediates the relationship between e-retail environment characteristics and purchase intent. However, for the premium wristwatch online stores, it was found that website customization adversely influences purchase intentions. Results from the questionnaire and the statistical tests show that customers do not find customization an important feature when browsing and buying products online, thus failing to support prior research findings.

Research by Chiou *et al*., (2017) has provided evidence that the higher the receptiveness to online store shopping, the stronger the customer's attitude toward using the online store for product purchasing. The present study contributes to the literature by analyzing the influence of receptiveness to online stores on purchase intentions and applying it to the luxury watch industry. As expected, results from the tests performed (Table 10) confirmed what was previously stated in the literature and adds that it is right to say the receptiveness to online high-end watch stores has a positive influence on customer's purchase intentions.

Another attribute that was studied in this research was website trust. Previous studies (Kim *et al*., (2018), Kim *et al*., (2004) and Chen *et al*., (2007)) related 8 different e-service dimensions and explored its impact on e-satisfaction and e-loyalty. The eight dimensions in Kim's research (2018) were Browsing, Transaction, Company/Trust, Personalization, Product Presentation, Visual Appeal, Graphic Style, and Entertainment. Results demonstrate that, among others, trust is an important predictor of e-satisfaction. In addition, Chen *et al.,* (2007), stated that online trust positively impacts purchase intentions. This study reinforces previous studies and contributes with a new variable – purchase intentions. Taking into consideration the results from the tests performed, it can be concluded that trust has a positive impact on customers' purchase intentions. As regards the second study, Kim *et al*., (2004) positively relate website appearance to customer satisfaction and intentions in the apparel market. This finding was not supported by this research, as respondents do not find website appearance to affect buying decisions in luxury watch brands.

A secondary objective of this dissertation was to grasp whether purchase intentions remain equal or not when considering previous browsing history in luxury watch websites. The goal is to verify this assumption in both groups of people of this study. Findings suggest that

purchase objectives are different for the two groups, not supporting previous studies (Kim *et al*., (2005)).

6. Conclusions and Limitations

This chapter aims to provide the major findings of this investigation from both a theoretical and practical standpoint, as well as some limitations discovered during the research and potential future research directions. The first sub-chapter comprises the main conclusions from the empirical study and suggestions for further work, the second presents the theoretical and practical contributions of this dissertation, and the third focuses on the limitations felt throughout the work.

6.1. Main conclusions

This research had two different objectives. The first aims to comprehend to what extent certain online attributes impact online purchase intentions, whereas the second aims to grasp the importance of previous buying history on purchase intentions. Consequently, a detailed literature review was conducted, focusing on five e-commerce aspects, namely price consciousness, website customization, receptiveness to online stores, e-store trust, and website appearance. Several hypotheses were formulated and tested.

All the variables were tested through a quantitative approach, by the distribution of an online questionnaire. A total of 202 valid answers were collected, characterized by individuals aged between less than 20 and more than 70 years old, and most participants were aged between 31 and 50 years old. The great majority of respondents (82%) never bought a luxury watch on a website. Regarding education, most participants hold either a master's (41%) or a bachelor's (36%) degree. In addition, the variables were measured through several statements, presented in Table 1 and composite variables had to be created to evaluate whether the items used to measure each variable could measure the same concept. Results showed a good level of consistency, with values greater than 0.7. After ensuring reliability, a multiple linear regression was developed for the dependent variable that, in this case, is purchase intention as well as an independent samples t-test. It is essential to mention that all assumptions of the statistical tests were met, which can be consulted in the Appendix.

Overall, the multiple linear regression model, that refers to the main determinants of Purchase Intentions, demonstrated that the two variables that do not impact purchase intentions of luxury watches online are website appearance and design ($\beta= 0.078$ and $p= 0.210$) and website customization ($\beta= 0.061$ and $p= 0.305$). The remaining variables, namely price

awareness, trust, and receptiveness to online stores are are all capable of explaining and predicting purchase intentions in online luxury watch websites. Finally, the model's R Square equals 0.408, meaning that the model fits the data well.

The second statistical test performed was an independent samples t-test with the intention of assessing whether the intentions of participants were the same given their previous experience in luxury watch e-stores. The analysis conducted revealed that, unlike previous research, purchase intentions change when considering previous buying experience. This means that individuals that already had experience buying luxury watches online have different and higher purchase intentions than the ones who have not.

To summarize, it can be concluded that the answer to the main research question of this thesis "*Which main factors determine consumers' purchase intentions in luxury watch websites?*" is, the main e-commerce factors are price awareness, website trust and receptiveness to online stores. Surprisingly, consumers with higher purchase intentions tend to value these specific attributes more than attributes related to personalization and design.

6.2. Theoretical and Practical contributions

This dissertation was developed in the scope of topics related to the Marketing field, namely the social networks subject, that is described by virtual communication dominated by consumers, and online consumer behavior, responsible for the investigation of individuals' needs and motivations that lead them to buy in virtual channels. Even though we are in the presence of notions that have recently attracted the curiosity of scholars, these concepts are also current marketing themes that lack bibliographies, scientific data, and practical studies. As a result, the purpose of this study is to provide insights into the major elements impacting customers' purchase intentions in luxury watch websites.

Given the rising use of the digital world, it is critical for managers of luxury watch brands to understand that an investment on e-stores must be made with the purpose of reaching customers more effectively. Of course, this business is not like any other and focuses on the in-store buying experience rather than online channels. However, evidence suggests that brands have been taking small steps towards this new reality throughout the last couple of years. This dissertation provides some insights that managers might apply to their brands and improve their websites. It could be good to improve some e-store aspects such as price information and transparency, a detailed page that provides the brand's history to achieve greater purchase

intentions from customers. Therefore, the main practical contributions of this dissertation are the clear understanding of what luxury watch buyers are looking for when purchasing online, and how those specific characteristics impact individuals' buying behavior. This way, organizations are able to value specific website items that impact on consumers' motivations, and implement the right strategies in order to improve their performance and business.

The scientific contribution provided by this research enables to confirm and prove previous research in this specific industry, as well as refutes former studies. This will provide future researchers with more insights and proof regarding topics related to the luxury watch industry. Due to the recency of widespread digitalization in the luxury watch sector, the scientific community can benefit from further research as businesses continue to innovate.

6.3. Limitations and future research

During this investigation, the researcher discovered certain constraints that influenced the outcomes. Understanding these limitations will help future researchers avoid such caveats, providing better results.

The first limitation is related with the requirements for individuals to participate in the questionnaire. To participate, individuals were not required to have previous experience in online shopping of luxury watches, since most business is still conducted through brick-and-mortar setups. This made it difficult for the researcher to gather information from experienced and knowledgeable online luxury watch buyers. Addition, it could have been interesting to add customer satisfaction to the dependent variable list. However, people this experienced are scarce, which made it difficult to implement the variable.

A third limitation found during this work is related to the variables used in the linear regression model. Not all variables that explain consumers' purchase intentions were investigated and considered, meaning it is not possible to guarantee all the factors influencing this indicator in online watch websites were addressed.

Another identified limitation was the lack of previous peer-reviewed research studies on the topic of the luxury watch industry, specifically relating it to e-commerce, making it particularly challenging to formulate the research questions, objectives, and hypotheses.

Developing upon the findings of this research, some topics may be further developed in future studies. Despite there being various future research topics, the impact of the coronavirus pandemic on consumer preferences and behaviors in this sector remains to be studied. Based

on this work's approach, future research could also be conducted resorting to different predictive variables such as customer satisfaction and brand image.

Another potential strategy for future study might be to conduct in-depth interviews with specific consumers or to analyze statistical data using mediating variables. In the early stages of research, when developing the methodology, a stronger emphasis could be placed on the key differences between online and offline shopping.

7. References

Abtan, O., Barton, C., Bonelli, F., Gurzki, H., Mei-Pochtler, A., Pianon, N. and Tsusaka, M. (2016). Digital or die: The choice for luxury brands. *The Boston Consulting Group. Gefunden am*, *22*, p.2017.

Balasyan, I., & Casais, B. (2018). Keeping Exclusivity in An E-Commerce Environment: The case of Farfetch. com and the market of luxury clothes. *International Journal of Marketing, Communication and New Media*, (4).

Berridge, H. S. (2018). A practical look at the challenges luxury fashion brands face in the wake of digitalization: is it time that luxury fashion brands learn to love e-commerce platforms?. *Journal of Intellectual Property Law & Practice*, *13*(11), 901-908.

Bulmer, M., De, V. D. A., & Fielding, N. (2004). *Questionnaires*. London: Sage Publications.

Brun, A., Liu, X., Burns, A. C., & Hou, Y. (2013). Comparing online and in-store shopping behavior towards luxury goods. *International Journal of Retail & Distribution Management*.

Carù, A., Caru, A., & Cova, B. (Eds.). (2007). *Consuming experience*. Routledge.

Chen, Y. H., & Barnes, S. (2007). Initial trust and online buyer behavior. *Industrial management & data systems*.

Chiou, J. S., Chou, S. Y., & Shen, G. C. C. (2017). Consumer choice of multichannel shopping. *Internet Research*.

Chiu, Y. P., Lo, S. K., Hsieh, A. Y., & Hwang, Y. (2019). Exploring why people spend more time shopping online than in offline stores. *Computers in Human Behavior*, 95, 24-30.

Dähler, R. (2017). A comprehensive e-business framework for luxury watch companies.

Darden, W. R., & Perreault Jr, W. D. (1976). Identifying interurban shoppers: Multiproduct purchase patterns and segmentation profiles. *Journal of Marketing Research*, *13*(1), 51-60.

Deloitte. (2015). Global powers of luxury goods 2015*: Engaging the future luxury consumers.* http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-power-of-luxury-web.pdf

Deloitte. (2019). Global powers of luxury goods 2019: *Bridging the gap between the old and the new.* https://www2.deloitte.com/pt/en/pages/consumer-business/articles/global-powers-of-luxury-goods-2019.html

Deloitte, (2017). The Deloitte Swiss Watch Industry Study 2017*: It's all about digital.* https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-en-swiss-watch-industry-study-2017.pdf

De Wulf, K., Odekerken-Schröder, G., & Iacobucci, D. (2001). Investments in consumer relationships: A cross-country and cross-industry exploration. Journal of marketing, 65(4), 33-50.

Duma, F., Willi, C. H., & Steinmann, C. (2015). *The business of luxury*. vdf Hochschulverlag AG.

Hahn Fox, B., & Jennings, W. G. (2014). How to write a methodology and results section for empirical research. Journal of Criminal Justice Education, 25(2), 137-156.

Hennigs, N., Wiedmann, K. P., & Klarmann, C. (2012). Luxury brands in the digital age– exclusivity versus ubiquity. Marketing Review St. Gallen, 29(1), 30-35.

Huber, Sebastian & Gebien, Oliver, (2018). Against all Odds - E-Commerce Success in the Luxury Goods Industry. *Marketing Review St Gallen*. 35. 76-81.

Kapferer, J. N., & Bastien, V. (2012). *The luxury strategy: Break the rules of marketing to build luxury brands*. Kogan page publishers.

Kim, H., Choi, Y. J., & Lee, Y. (2015). Web atmospheric qualities in luxury fashion brand websites. *Journal of Fashion Marketing and Management: An International Journal*, 19(4), 384–401.

Kim, J. H., & Kim, M. (2018). Conceptualization and assessment of E-service quality for luxury brands. *The Service Industries Journal*, *40*(5-6), 436-470.

Kim, J. H., Kim, M., & Kandampully, J. (2011). The impact of E-Retail environment characteristics on E-Satisfaction and purchase intent. *International Journal of Service Science, Management, Engineering, and Technology (IJSSMET)*, *2*(3), 1-19.

Kim, J. H., Kim, M., & Kandampully, J. (2007). The impact of buying environment characteristics of retail websites. *The Service Industries Journal*, *27*(7), 865-880.

Kim, J., Lee, H., & Kim, H. (2004). Factors affecting online search intention and online purchase intention. *Seoul Journal of Business*, *10*.

Kim, S., & Stoel, L. (2004). Apparel retailers: Website quality dimensions and satisfaction. *Journal of Retailing and Consumer Services*, *11*, 109–117

Ko, E., Costello, J. P., & Taylor, C. R. (2019). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research*, *99*, 405-413.

Laroche, M., Kim, C., & Zhou, L. (1996). Brand familiarity and confidence as determinants of purchase intention: An empirical test in a multiple brand context. *Journal of business Research*, *37*(2), 115-120.

Mooi, E., Sarstedt, M., & Mooi-Reci, I. (2018). Principal component and factor analysis. In Market Research (pp. 265-311). Springer, Singapore.

Moriset, B. (2020). 9 The geography of e-commerce. *Geographies of the Internet*, 139.

Pavlou, P. A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International journal of electronic commerce*, *7*(3), 101-134.

Prodanov, C. C., & De Freitas, E. C. (2013). *Metodologia do trabalho científico: métodos e técnicas da pesquisa e do trabalho acadêmico-2ª Edição*. Editora Feevale.

Ribbink, D., Van Riel, A. C. R., Liljander, V., & Streukens, S. (2004). Comfort your online customer: quality, trust and loyalty on the inter- net. *Managing Service Quality*, *14*(6), 446–456. doi:10.1108/09604520410569784

Romaniuk, J., & Huang, A. (2020). Understanding consumer perceptions of luxury brands. *International Journal of Market Research*, *62*(5), 546-560.

Santos, Jessica. (2003). E-service quality: A model of virtual service quality dimensions. Managing Service Quality. 13. 233-246. 10.1108/09604520310476490.

Singh, M. (2002). E-services and their role in B2C e-commerce. *Managing Service Quality: An International Journal*.

Shin, D., & Darpy, D. (2020). Rating, review and reputation: how to unlock the hidden value of luxury consumers from digital commerce?. *Journal of Business & Industrial Marketing*.

Srinivasan, S. S., Anderson, R., & Ponnavolu, K. (2002). Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of retailing*, *78*(1), 41-50.

Tagg, S., Stevenson, A., & Vescovi, T. (Eds.). (2013). *New developments in online marketing*. Routledge.

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. International journal of medical education, 2, 53.

Turban, E., Outland, J., King, D., Lee, J. K., Liang, T. P., & Turban, D. C. (2017). *Electronic commerce 2018: a managerial and social networks perspective*. Springer.

Vigneron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of brand management*, 11(6), 484-506.

Olshavsky, R. W., & Spreng, R. A. (1989). A 'desires as standard'model of consumer satisfaction. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, *2*, 49-54.

Okonkwo, U. (2010). *Luxury online: Styles, systems, strategies*. Springer.

8. Appendixes

Appendix A – Questionnaire

Hello! In order to conclude my studies, and as part of my master's thesis in Management, I am currently studying the relationship between the Luxury watch industry and e-commerce. More precisely, I am investigating and analyzing consumer insights and attitudes towards the online sale of luxury watches. Therefore, I would like to ask you a few questions regarding this subject, even if you are not familiar with it. Answers to the questions will remain strictly anonymous and the results will be confidential. The questionnaire lasts for about 5 minutes. Thank you for your time!

If you have any questions, please feel free to contact me through this email:

mmgat@iscte-iul.pt

Part I – Receptiveness to Online Stores

Please take a look at this image retrieved from Panerai's website.
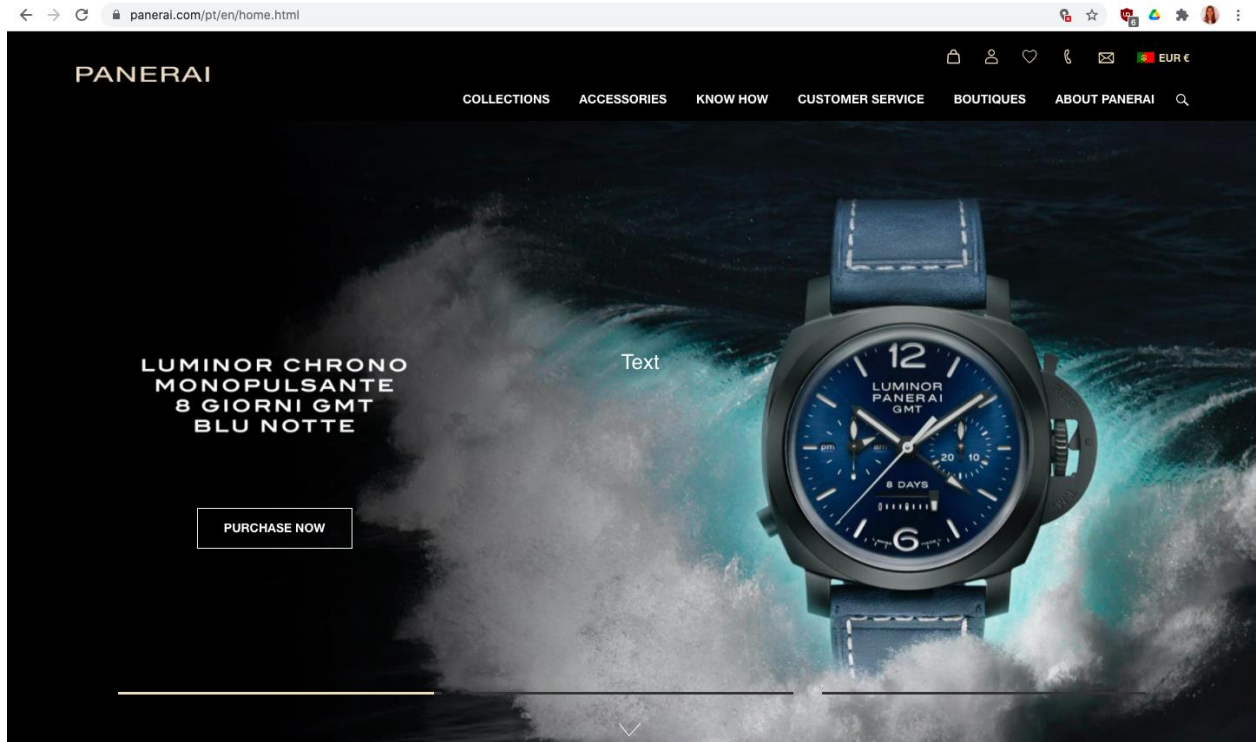
https://www.panerai.com/pt/en/home.html

	Very unlikely	Somewhat unlikely	Neutral	Somewhat likely	Very likely
How likely is it that you would use this store's website?	○	○	○	○	○
How likely is it that you would consider purchasing from this online store in the short run?	○	○	○	○	○
How likely is it that you would consider purchasing from this online store in the future?	○	○	○	○	○
You would buy luxury watches from an online store.	○	○	○	○	○

Part II – Price Awareness

On a scale from 1 (Strongly disagree) to 5 (Strongly agree), how strongly do you agree with the following statements?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I find myself checking the prices of the luxury wristwatch that I want to buy.	○	○	○	○	○
It is important for me to get the best price for the luxury products I buy.	○	○	○	○	○
I compare prices of at least a few online retailers before I choose one.	○	○	○	○	○
I'm willing to make an extra effort to find a lower price.	○	○	○	○	○
I will change what I had planned to buy in order to take advantage of a lower price.	○	○	○	○	○
I am sensitive to differences in price.	○	○	○	○	○

Part III – Trust

Please pay attention to these images retrieved from Cartier's website.
https://www.cartier.com/en-pt
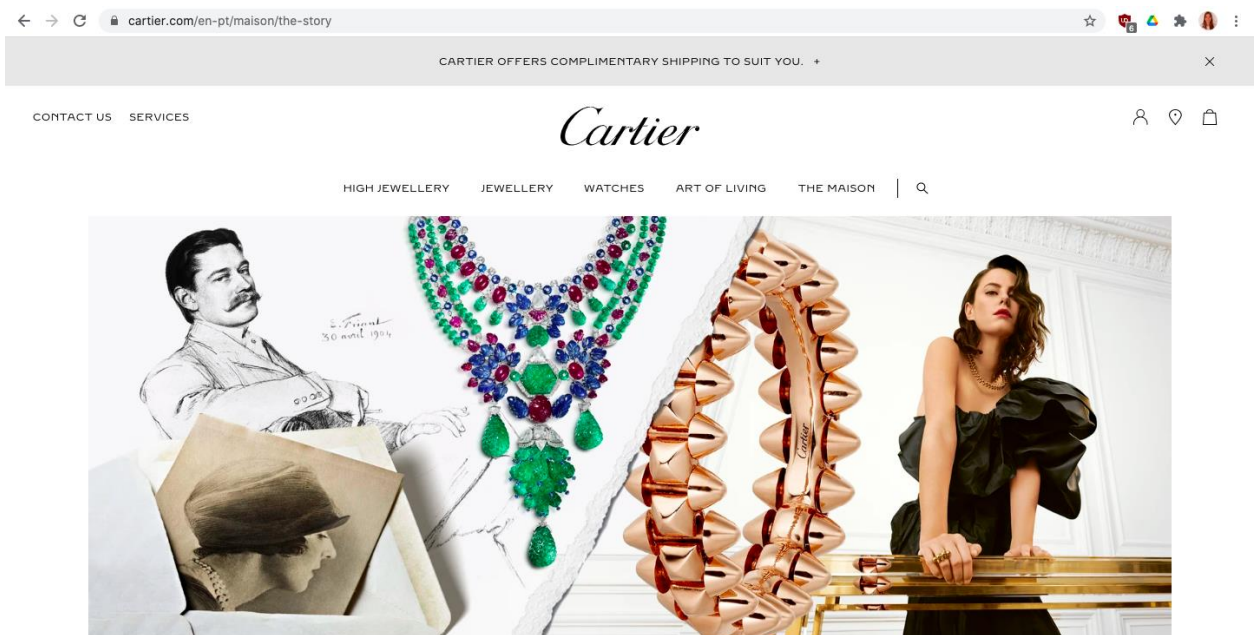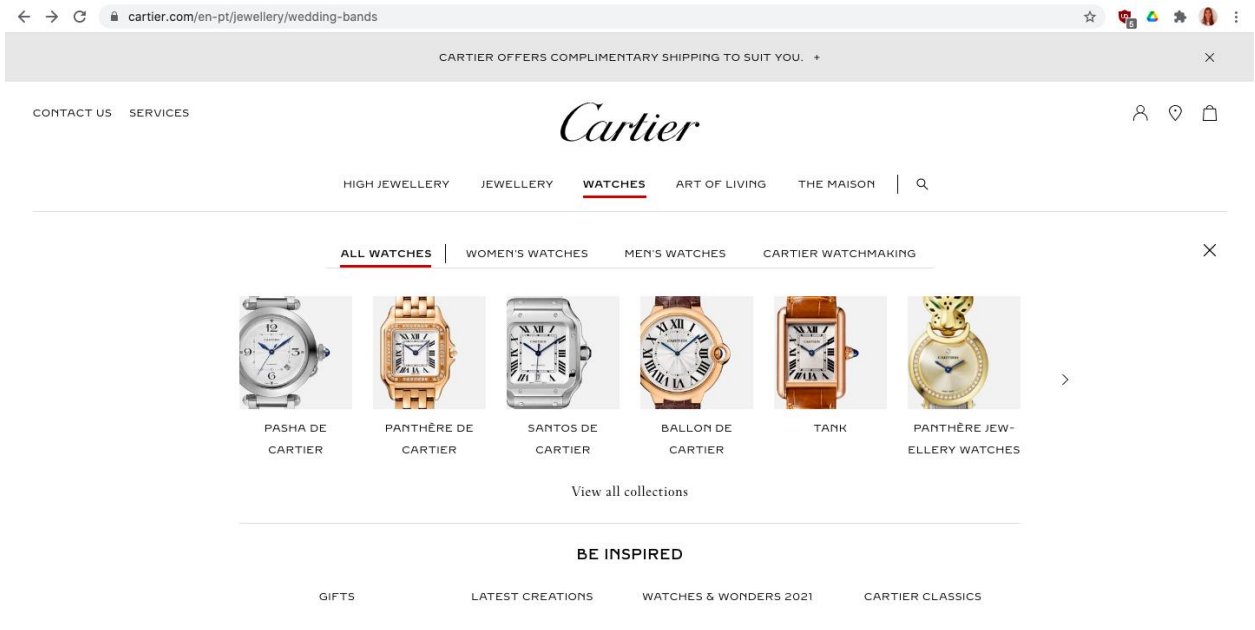
To what extent do you agree with the statements described below?

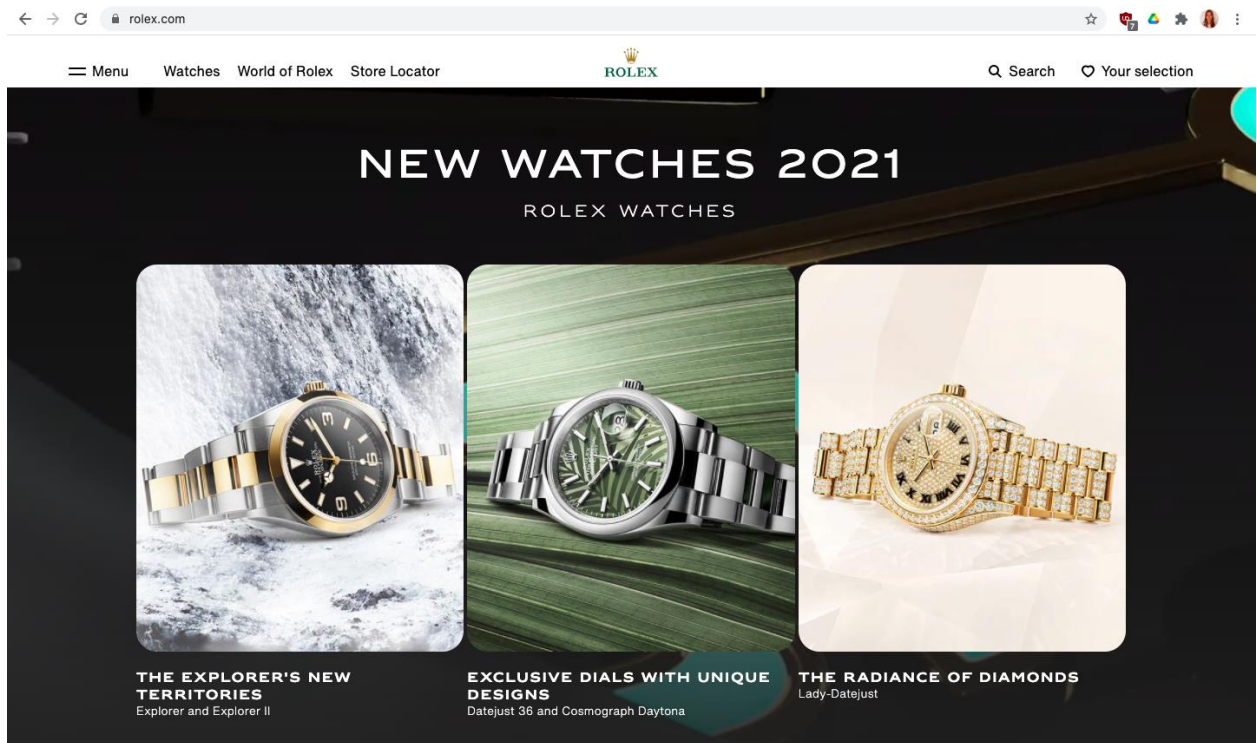|	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
This store gives me a feeling of trust.	○	○	○	○	○
I have trust in this store.	○	○	○	○	○
This store gives me a trustworthy impression.	○	○	○	○	○
This site provides adequate information about the company's history so I feel I can trust this website.	○	○	○	○	○

Part IV – Customization

Please pay attention to the following affirmations.

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I would value a website that offered a gift-wrapping service that satisfied customer needs when purchasing gifts online.	○	○	○	○	○
I would value a website that provided an option to purchase gift cards that were personalized for me.	○	○	○	○	○
I would value a website that provided an option to purchase personalized gifts.	○	○	○	○	○

Part V – Web Appearance

Please take a look at this image retrieved from Rolex's website.
https://www.rolex.com/

On a scale from 1 (Strongly disagree) to 5 (Strongly agree), how strongly do you agree with the following statements?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
The website displays a visually pleasing design.	○	○	○	○	○
The website is visually pleasing.	○	○	○	○	○
The website is visually appealing.	○	○	○	○	○
It would be easy for me to become skillful at using the website.	○	○	○	○	○
Learning to operate the website is easy for me.	○	○	○	○	○
The display pages within the website are easy to read.	○	○	○	○	○

Part VI - Online purchase intention

How likely is it that you would visit a luxury watch store website?

○ 0

○ 1

○ 2

○ 3

○ 4

○ 5

○ 6

○ 7

○ 8

○ 9

○ 10

Q10 How likely is it that you would consider purchasing from a luxury wristwatch website in the short term?

○ 0

○ 1

○ 2

○ 3

○ 4

○ 5

○ 6

○ 7

○ 8

○ 9

○ 10

Q11 How likely is it that you would consider purchasing from a luxury watch website in the longer term?

○ 0

○ 1

○ 2

○ 3

○ 4

○ 5

○ 6

○ 7

○ 8

○ 9

○ 10

Part VII – Profile

Q12 How old are you?

○ < 20

○ 20-30

○ 31 - 50

○ 51 - 70

○ > 70

Q13 What is your level of education?

○ High school

○ Bachelor's degree

○ Master's degree

○ Doctoral degree

Q14 Have you ever bought a luxury watch online?

○ Yes

○ No

Appendix B – Sample profile and Descriptive Statistics
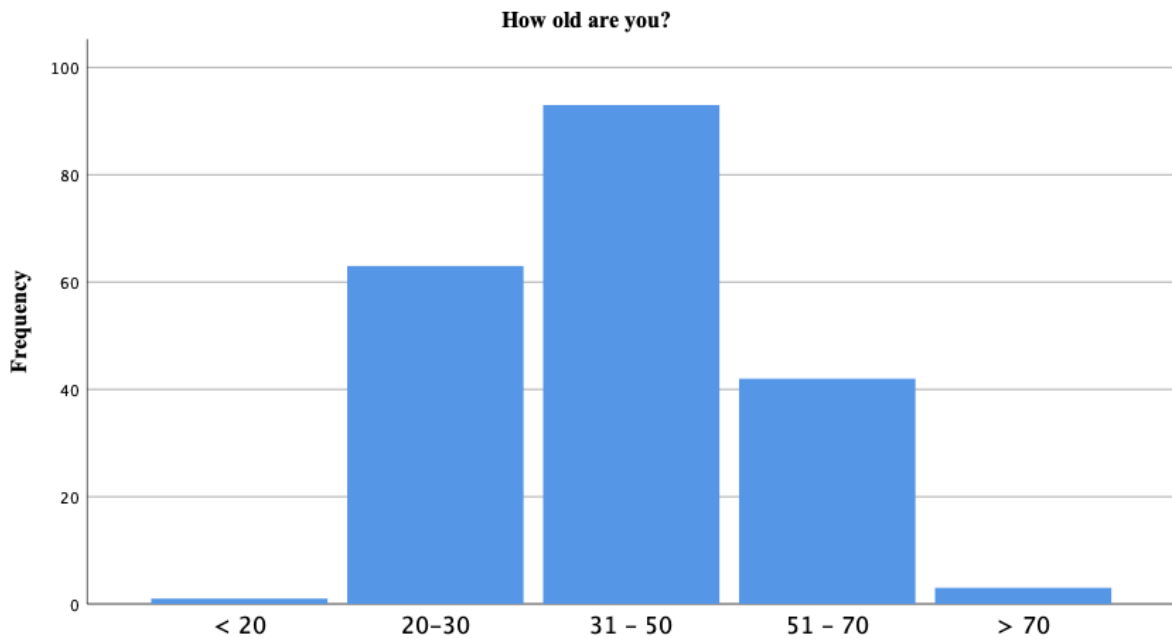
Frequencies of Age

How old are you?

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	< 20	1	.5	.5	.5
	20-30	63	31.2	31.2	31.7
	31 - 50	93	46.0	46.0	77.7
	51 - 70	42	20.8	20.8	98.5
	> 70	3	1.5	1.5	100.0
	Total	202	100.0	100.0	

How old are you?

Frequencies of level of education

What is your level of education?

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	High school	45	22.3	22.3	22.3
	Bachelor's degree	73	36.1	36.1	58.4
	Master's degree	82	40.6	40.6	99.0
	Doctoral degree	2	1.0	1.0	100.0
	Total	202	100.0	100.0	

What is your level of education?
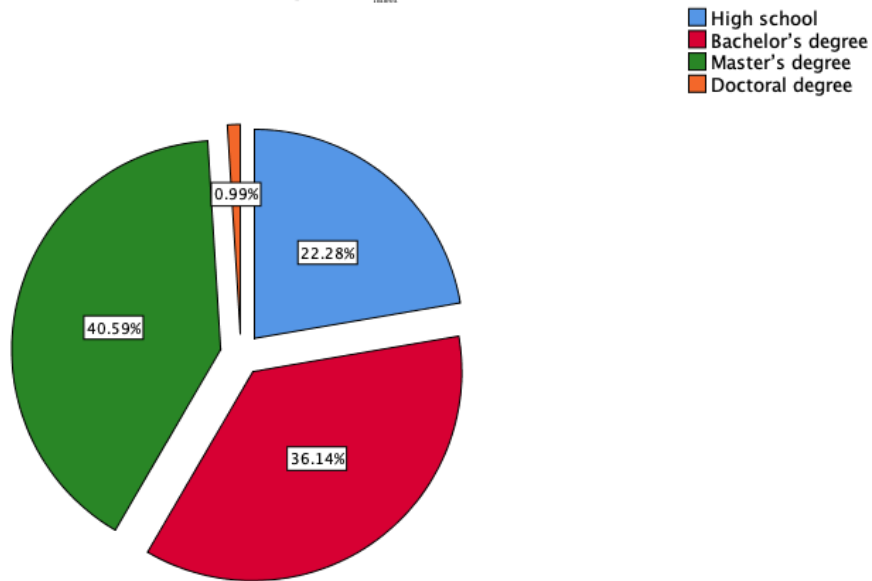
Frequencies of previous experience

Have you ever bought a luxury watch online?

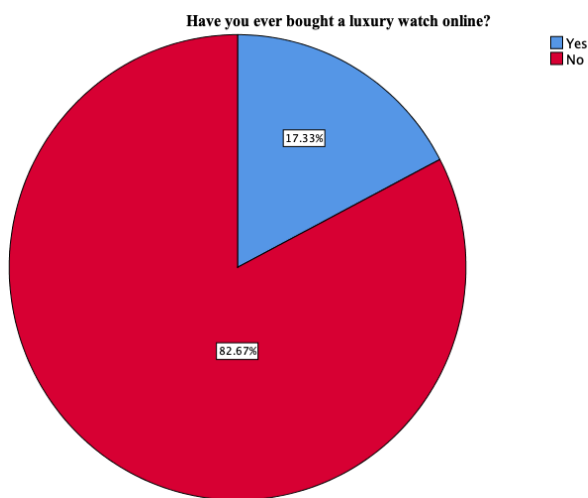|		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	17.3	17.3	17.3
	No	167	82.7	82.7	100.0
	Total	202	100.0	100.0	

Descriptive Statistics of RECEP (Receptiveness to online store)

Item Statistics

	Mean	Std. Deviation	N
How likely is it that you would use this store's website?	3.51	1.185	202
How likely is it that you would consider purchasing from this online store in the short run?	2.75	1.293	202
How likely is it that you would consider purchasing from this online store in the future?	3.04	1.253	202
You would buy luxury watches from an online store.	3.17	1.488	202

Descriptive Statistics of PRICE

Item Statistics

	Mean	Std. Deviation	N
I find myself checking the prices of the luxury wristwatch that I want to buy.	3.83	1.245	196
It is important for me to get the best price for the luxury products I buy.	4.17	1.001	196
I compare prices of at least a few online retailers before I choose one.	3.95	1.101	196
I'm willing to make an extra effort to find a lower price.	3.91	1.082	196
I will change what I had planned to buy in order to take advantage of a lower price.	2.82	1.474	196
I am sensitive to differences in price.	3.92	.994	196

Descriptive Statistics of TRUST

Item Statistics

	Mean	Std. Deviation	N
This store gives me a feeling of trust.	4.13	.885	202

I have trust in this store.	4.07	.903	202
This store gives me a trustworthy impression.	4.18	.841	202
This site provides adequate information about the company's history so I feel I can trust this website.	3.72	.958	202

Descriptive Statistics of CUSTOM (Website Customization)

Item Statistics

	Mean	Std. Deviation	N
I would value a website that offered a gift-wrapping service that satisfied customer needs when purchasing gifts online.	3.98	.974	199
I would value a website that provided an option to purchase gift cards that were personalized for me.	3.43	1.224	199
I would value a website that provided an option to purchase personalised gifts.	4.24	.866	199

Descriptive Statistics of APPEAR (Website appearance)

Item Statistics

|	Mean	Std. Deviation	N
The website displays visually pleasing design.	4.24	.969	202
The website is visually pleasing.	4.25	.956	202
The website is visually appealing.	4.19	.990	202
It would be easy for me to become skilful at using the website.	4.23	.864	202

Learning to operate the website is easy for me.	4.34	.764	202
The display pages within the website are easy to read.	4.19	.839	202

Descriptive Statistics of PI (Purchase Intention)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
How likely is it that you would consider purchasing from a luxury watch website in the longer term?	202	0	10	6.13	3.328
How likely is it that you would consider purchasing from a luxury wristwatch website in the short term?	202	0	10	4.68	3.107
How likely is it that you would visit a luxury watch store website?	202	0	10	7.65	2.886
Valid N (listwise)	202				

Appendix C - Regression analysis results

Linear Regression assumptions

Scatterplot
Dependent Variable: PI
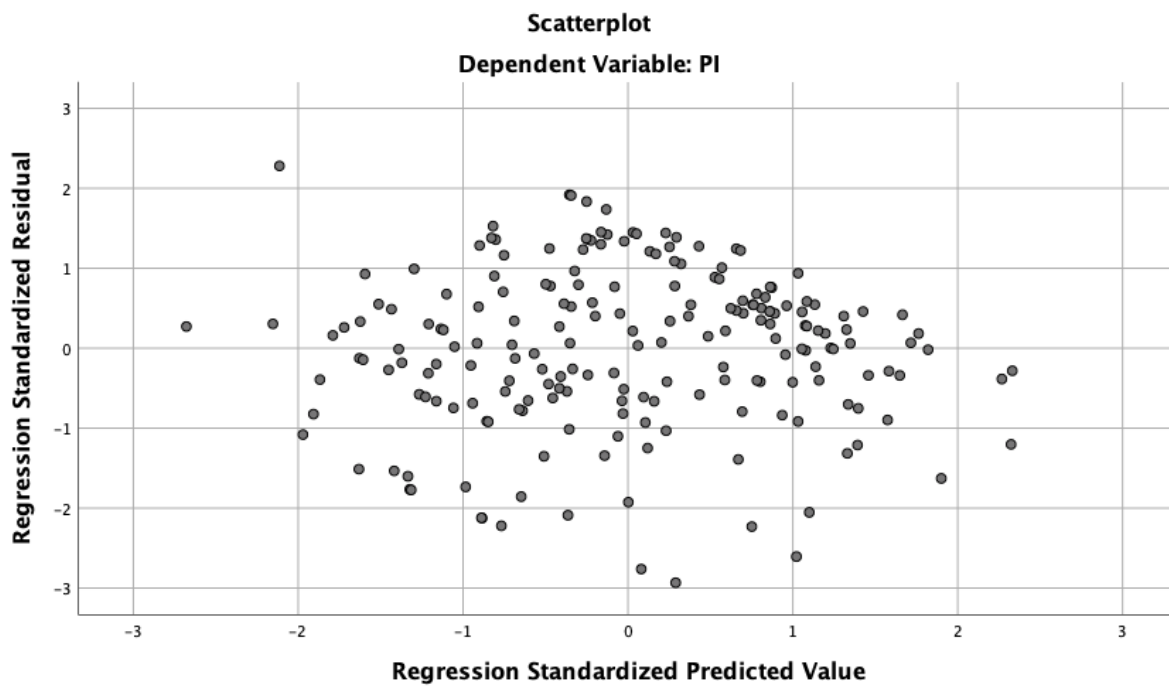
Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	.056	202	.200[*]	.982	202	.012

Linear Regression Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.639[a]	.408	.393	2.15852

a. Predictors: (Constant), APPEAR, PRICE, RECEP, CUSTOM, TRUST

b. Dependent Variable: PI

ANOVA Table

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	629.032	5	125.806	27.002	.000[b]
	Residual	913.201	196	4.659		
	Total	1542.233	201			

a. Dependent Variable: PI

b. Predictors: (Constant), APPEAR, PRICE, RECEP, CUSTOM, TRUST

Model's coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3.196	1.181		2.706	.007		
	PRICE	-.601	.196	-.178	-3.071	.002	.894	1.118
	RECEP	1.677	.155	.617	10.814	.000	.927	1.078
	TRUST	-.503	.224	-.141	-2.246	.026	.761	1.313
	CUSTOM	.205	.199	.061	1.029	.305	.846	1.183
	APPEAR	.285	.227	.078	1.259	.210	.794	1.259

Appendix D - Independent samples t-test results

Group Statistics

	Have you ever bought a luxury watch online?	N	Mean	Std. Deviation	Std. Error Mean
PI	Yes	35	8.4952	1.43343	.24229
	No	167	5.6607	2.73298	.21148

Independent Samples Test

Levene's Test for Equality of Variances	t-test for Equality of Means

		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
PI	Equal variances assumed	25.461	.000	5.958	200	.000	2.83456
	Equal variances not assumed			8.814	94.327	.000	2.83456