

PSYCHOLOGICAL FACTORS AFFECTING CONSUMERS' PURCHASE INTENTIONS OF AGARWOOD BEADS: A CASE STUDY OF NANNING CITY, CHINA

Si Li¹, Sawaros Srisutto²

¹School of Business, University of the Thai Chamber of Commerce

²School of Tourism and Services, University of the Thai Chamber of Commerce
126/1 Vibhavadee-Rangsit Rd., Dindang, Bangkok 10400, Thailand

¹347067975@qq.com, ²ssrisutto@yahoo.com

Abstract

The purpose of the research is to understand the consumers' purchase behaviors and purchase intentions of Agarwood beads and also the effect of psychological factors on purchase intention of Agarwood bead. A total of 400 questionnaires were analyzed. Multiple regression analysis was used to examine the hypotheses. The findings indicate that the psychological factors (perception, motivation, learning, and attitude) had direct positive effect on consumers' purchase intentions of Agarwood beads. These findings will be useful for the Agarwood enterprises to aware the importance of psychological factors on consumers' purchase intentions. In addition, the findings of this research could provided effective information for the Agarwood enterprises to enhance the consumers' intentions of Agarwood beads.

Keywords: Purchase intention, Psychological factors, Agarwood beads.



Introduction

Agarwood is a kind of commercial natural product, which can be made into Agarwood beads, Agarwood oil, Agarwood incense, Agarwood medicine and so on. When Aquilaria tree (scientific name) is injured, it will secrete a lot of resin. When the resin is infected by a lot of insects, it will produce fragrant substance which is called Agarwood (Anak, Mulliken & Song, 2000).

It is very hard to produce Agarwood because the formation is complex and the process takes very long time. Agarwood had been used by many purposes mainly for medicine and religious purpose since 100 years ago. It can treat a lot of disease, like pleurisy, vomiting, asthma, cardiopathy, stomach aches, and cancers (Anak, Mulliken & Song, 2000).

In recent years, Agarwood has become a popular product around the world. Many countries had made and traded the Agarwood (Anak, Mulliken & Song, 2000). In China, Agarwood gets more and more attention from Chinese people. Chinese value trade of the Agarwood achieves one-third of total value in the world. In recent 5 years, the total trading value of Agarwood in China has increased year by year (Lv & Gao, 2013). Different Chinese people use Agarwood beads with different reasons and for different values such as curing health problems, treating cancer, reducing high blood pressure, praying evil spirits, and bringing good fortune (Chen, 2014; Xiao, 2014).

Although the Agarwood beads have become a popular product, there is a lack of research studying Agarwood beads on psychological factors affecting consumers' purchase intentions. In addition, it is very important and necessary for the Agarwood beads entrepreneurs to know the purchase behavior and psychological factors that affect purchase intentions of consumers.

Objectives

- 1) To understand consumer purchase behavior when buying Agarwood beads
- 2) To understand consumer purchase intentions when buying Agarwood beads.
- 3) To investigate psychological factors affecting consumer purchase intentions when buying Agarwood beads.

Research questions

- 1) What is the purchase behavior of buyers of Agarwood beads?
- 2) What are the consumers' purchase intentions towards buying Agarwood beads?
- 3) How psychological factors affect the purchase intentions of consumers buying Agarwood beads?

Literature review

Consumers' purchase behaviors

Purchase behaviors have been examined by researchers since 1970s (Sheth, 1996). Regarding the conception of purchase behaviors, Kotler and Keller (2006; p173) defined it as "a process which enables an organization to

understand how consumers select, buy, and dispose of goods, services, ideas, or experiences in order to satisfy their needs and wants”. It means that purchase behaviors refer to how the consumer selects, buys, and uses the products or services. Besides, Wani (2013; p10) defined purchase behaviors as “a decision-making process and physical activities that involved acquiring, evaluating, using, and disposing of goods and services”. It means that purchase behavior is the process in which consumer thinks, gets and uses the product. Both definitions aim at emphasizing the process of selecting, buying, and using the products or services.

According to Mohammadian (2013) as well as Sarker, Bose, Palit and Haque (2014), purchase behaviors of consumers refer to five elements: (1) where to buy (2) what to buy (3) when to buy (4) how often to buy and (5) how to buy.

Where to buy refers to “Place of purchase”. It means that consumers have a lot of choices in buying the same products in different stores (Mohammadian, 2013). What to buy refers to “Items of purchase”. It includes not only what product to buy, but also the amount of product to buy. The amount of product to buy depends on a lot of factors, such as consumers’ desires and types of product (Applebaum, 1951). When to buy refers to “Time of purchase”. The time of buying includes time and the season, or festival of

buying. How often to buy refers to “Frequency of purchase” (Sarker et al, 2014). How to buy relates to “Method of purchase”, such as the way the consumers pay the money (with cash or card), and if consumers go alone or go with friends.

The importance of consumers’ purchase behaviors has been studied by many researchers. For example, Edu, Negricea & Ionescu (2013) pointed out that purchase behaviors play an important role in letting organizations know more about consumers’ needs and wants. Besides, Webster and Wind (1996) pointed out that understanding the consumers’ purchase behaviors can help marketers obtain useful information about consumers and to identify their needs.

Researchers mentioned that there are four main factors influencing the purchase behaviors of consumers. These factors are psychological factors, social factors, cultural factors, and personal factors (Durmaz, 2014; Sarker et al., 2014). The psychological factors play an important role in explaining and predicting the behavior of the consumer, which is linked to the study (Underwood, 2002).

Purchase intention

According to Thokchom (2012), purchase intentions are the willingness to buy and the tendency of purchase. Purchase intention is defined as the time when the customer is willing to buy the product (Thokchom, 2012). Similarly,

Putro and Haryanto (2015) also stated that purchase intention is a situation when a consumer is willing and intends to purchase. So, purchase intention refers to the willingness to purchase products (LIU, 2013; Thokchom, 2012; Putro and Haryanto, 2015; Linh, 2014).

Thokchom (2012) mentioned that purchase intention, or willingness to buy, is also described as the likelihood of purchase of products. The positive purchase intention can be considered as the forecast of the actual buying behavior (Wang, 2012). It means that the higher the purchase intention the consumer has, the higher the likelihood the customer will make a purchase.

Purchase intention is a part of purchase behaviors. If a consumer intends to purchase a product, he/she will pay money to buy it (Grewal, Krishnan, Baker & Borin, 1998). However, Xie (2012) noted that purchase intention can affect the decision making of the consumer in the future. Purchase intention can not only help marketers to evaluate the purchasing power of consumers, but also present a degree of willingness of buying.

Psychological factors

Psychological factors play a very important role in influencing consumers' decision of making choices (Durmaz, 2014). The psychological factors are divided into four parts, which are perception, motivation, learning and attitude.

Consumers' perceptions

Perception is an important elements to the marketer because they can determine whether consumers buy the products or not (Hanna 2013). Johns and Saks (1983) defined the Perception as "the process of interpreting the messages of our senses to provide order and meaning for the environment". It refers to the process that people transfer out their thought and opinion about the environment. Strydom (2005) defined the perception as "the entire process in which an individual becomes aware of environment and interprets it so that it will fit into his/her own frame of reference". It means that people interpret the environment into different meanings according to their opinions. People perceive things though the individuals' five senses, which are *sight, hearing, touch, taste and smell* (Thanyamon, 2012). Consumer perception will be influenced by the knowledge and experience of different people (Lantos, 2010). The way of perceiving things depends on what people know about things (Strydom, 2005). Hanna (2013) and Lantos (2010) mentioned that Perception is very subjective. Different people have different perceptions toward the same thing, and also perceive the same thing differently in different times (Hanna, 2013).

According to Strydom (2005) and Lantos (2010), the process of perception consists of three stages; *exposure, attention, and interpretation*. People receive message at this stage. This is the process where the consumer comes into

contact with stimuli by hearing, tasting, smelling, touching and seeing (Strydom, 2005). Attention is the stage of processing the message. When people are interested in the stimuli, people will focus on the relevant information (Strydom, 2005). Interpretation is the stage of decoding the message. In this stage, people will translate the stimuli differently depending on their attitudes, beliefs and experiences (Lantos, 2010).

Consumers' motivations

Motivation is an important part of psychological research (Deci & Ryan 1985). Motivation refers to the reason why people behave (Deci & Ryan 1985; Chang, 2011). Chen (2012) defined motivation as “the basic driving force behind all the actions of the consumer.” It refers to the reason that drives consumer to act. Similarly, Solomon, Polegato, and Zaichkowsky (2009) defined the motivation as “the process that leads people to behave as they do”. It means that motivation is what leads people to behave. Different people act with different kinds of motivations (Ryan & Deci, 2000).

Based on different reasons of actions, motivation can be divided into two types. They are intrinsic motivation and extrinsic motivation (Ryan & Deci, 2000). Intrinsic motivation is a kind of “non-drive based” motivation (Deci & Ryan, 1985). It means that people interest in the activities and enjoy the process of taking part in activities. While extrinsic motivation refers to the

motivation that people take part in the activities in order to get other kinds of rewards, such as money and praise (Deci & Ryan 1985).

Motivation occurs when a consumer has his/her need, desire, or wants something (Solomon, Polegato & Zaichkowsky, 2009). According to the theory of Maslow hierarchy needs, the needs can be divided into five groups: physiological needs, safety needs, love and belonging needs, esteem needs and self-actualization needs (Maslow, 1943).

Firstly, physiological needs are the most basic needs of humans. Humans have to eat, drink, and breathe in order to survive (Maslow, 1943). These needs should be satisfied first (Reid-Cunningham, 2008). Secondly, safety needs refer to people's securities, for example job security, living in a safe environment, and being healthy. Safety needs come after the physiological needs (Ondabu, 2014). Thirdly, love and belonging needs refer to the love from family, friends, and society (Maslow, 1943). In this step, people want to be a member of a group and want to be accepted and loved by the group members (Reid-Cunningham, 2008). Fourthly, esteem needs not only refer to the self-confidence and self-respect, but also refer to the need of being respected and appreciated by other people (Maslow, 1943). This step directs the people's behavior to achieve higher goals (Ondabu, 2014). Finally, self-

actualization needs refer to the needs that people want to achieve everything what they can (Maslow, 1943).

Consumers' learnings

People's learning can form their experiences and can change their behaviors (Durmaz, 2014). Learning is defined as "changes in an individual's behavior arising from experience" (Olufisayo, 2011). Similarly, Lamb, Hair and McDaniel (2011) defined learning as "the process that makes changes in behavior through experience and practice". In other words, learning is the process of behavior changing from experience.

There are two types of learning: experiential learning and conceptual learning (Lamb, Hair & McDaniel, 2011). Experiential learning occurs through experience. People get this experience by using product and service directly. On the contrary, conceptual learning refers to learning from others' experience (Lamb, Hair & McDaniel, 2011). For example, consumers may get a recommendation from friends'. Once consumers learn the experience from other people instead of from themselves, then conceptual learning will occur.

Consumers' attitudes

Lamb, Hair and McDaniel (2011) mentioned that attitude is similar to value. Attitude is defined as "something pertaining to a person's tendency toward an object or an idea and his/her value evaluations and feelings about

something" (Chang, 2011). Similarly, attitude is also defined as "a settled way of thinking or feeling about something" (Palani & Sohrabi, 2013). Both these two definitions refer to people's feeling toward the object and its value in their heart.

Attitude is subjective because it is based on people's knowledge and faith (Palani & Sohrabi, 2013; Lamb, Hair & McDaniel, 2011). People's Attitude may not be based on the facts (Palani & Sohrabi, 2013), and their attitude links with people's perception because attitude is formed from the perception (Chang, 2011). Every consumer has her/his own attitude toward certain products and service (Lamb, Hair & McDaniel, 2011).

There are three components of attitude: cognition, affection, and conation (Chang, 2011; Palani & Sohrabi (2013)). Cognition refers to the process that people form the perception and belief according to the knowledge and experience of themselves. Palani and Sohrabi (2013) called this component as learning component. Affection refers to people's emotion from the experience, which is the feeling component (Palani & Sohrabi, 2013). Conation is the probability of people to behave, which is a doing component (Palani & Sohrabi, 2013).

In this research, the subject is Agarwood beads. People firstly will get information and knowledge from advertising or others' words. Then people will have

their own idea of Agarwood beads according to their previous experience and knowledge. Finally, people will form different attitudes towards Agarwood beads.

Hypotheses development

Consumers' perceptions and purchase intentions

Consumers often behave differently based on different perceptions (Šarčević, Lilić, Đorđević, Milićević, Vranić, Lakićević & Milijašević, 2011). There are a lot of studies about the relationship between consumer perception and purchase intention. For example, in the study conducted by Onozaka, Nurse and McFadden (2010), it is found that people have different perceptions toward local food. The more consumers have positive perceptions with local food, the more consumers intend to buy it (Onozaka, Nurse & McFadden, 2010).

In addition, the findings of Šarčević, et al (2011) also show that consumers have different perceptions toward the quality, price, convenience, and weight of the meat product. If the consumers perceive high quality of the meat product, they intend to buy it. It seems that there is a relationship between consumers' perceptions and their purchase intentions. Therefore, the H1 is presumed as follow.

Hypothesis 1 Consumers' perceptions will positively affect consumers' purchase intentions toward the Agarwood beads.

Consumers' Motivation and Purchase Intentions

There are a lot of studies focusing on the motivation in the consumer behavior context. Chen (2012) studied the consumers' motivations in purchasing the products via online, and found that there were four kinds of motivations affecting consumers' purchases these products. These were price, value, emotion, and achievement.

Additionally, the study conducted by Onozaka, Nurse and McFadden (2010) found that there were some motivation factors influencing consumers' purchases the local foods. These were providing health benefit, supporting local economy, and maintaining local farmland". Hence, it seems that motivation plays an important role in the consumer's purchase intentions. Therefore, the H2 is premised as follow:

Hypothesis 2 Consumers' motivations will positively affect consumers' purchase intentions toward the Agarwood beads.

Consumers' learnings and purchase intentions

What people learn from the experience will drive different behaviors in the future (Palani & Sohrabi, 2013). If people have a good experience with a product, they probably purchase the product again. On the contrary, people will not willing to buy product if they have a bad experience with it (Olufisayo, 2011). Therefore, the H3 is premised as follows:

Hypothesis 3 Consumers' learnings will positively affect consumers' purchase intentions toward the Agarwood beads

Consumers' attitudes and purchase intentions

The positive relationship between consumer attitude and purchase intention is well established. For example, the research by Chang (2011), showed that there were positive correlation between Chinese teenagers' attitudes and buying intentions of celebrity-endorsed apparel. Similarly, in the study of Putro and Haryanto (2015) which research the

purchase intention of online shopping on website Zalora, They proved that consumers' attitudes have the significant and positive relationship with the purchase intentions of shopping on Zalora. It appears that consumers' attitudes can affect the intention of purchase the products. Therefore, the H4 is premised as follow:

Hypothesis 4 Consumers' attitudes will positively affect consumers' purchase intentions toward the Agarwood beads.

Conceptual framework

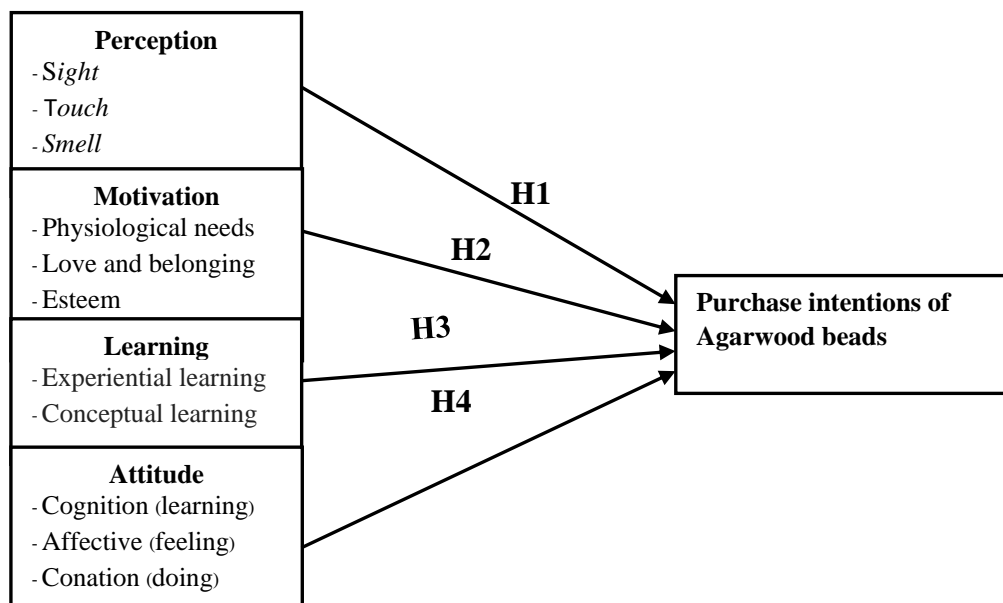


Figure 1 Conceptual framework

Research methodology

Research design

This research uses the quantitative method for testing the hypotheses which are related to the independent variables (perception, motivation, learning, and attitude) and dependent variable (purchase intention of Agarwood beads). The questionnaire is used to collect the data from sampling group.

Population and sampling

The target sample group of this research is consumers aging between 18 to 60 years old who purchased and intended to purchase Agarwood beads in Nanning city. The convenience sampling method was used to select the sample group. The sampling was conduct in the front of 14 Agarwood shops. 30 questionnaires were distributed at each shop. Then, totally there were 420 questionnaires distributed.

Questionnaire design

The questionnaire is designed based on the literature review and previous research. The questionnaire contains four parts. The first part is about the demographic information. All the questions in this part are designed as the multiple choices except the question of age which is designed as open question. The second part is about purchase

intentions of consumers. The third part is about the psychological factors which include consumers' perceptions, motivations, learnings, and attitudes about the Agarwood beads. The fourth part deals with the questions relating to purchase behaviors of Agarwood beads and the collection of information. All the questions are measured as a 5-point Liker Scale, which ranged from (1) strongly disagree to (5) strongly agree. The third part is about information search and purchase behavior of Agarwood beads. All the questions are measured as multiple choices.

Data results

Pretest and test reliability

The purpose of a reliability test is to ensure the quality of the questionnaire and the consistency of the result. In order to achieve a more accurate questionnaire, this thesis used the Cronbach's Alpha which is the most popular model measuring the reliability of a questionnaire. When the reliability value equals or is higher than 0.7, the questionnaire is reliable and can be used in data collection. The result of the coefficients is calculated by using Cronbach's alpha and the score showed as Table 1

Table 1 Reliability test using Cronbach's Alpha

Items	Cronbach's Alpha
Perception	0.708
P1: Before purchase the Agarwood beads, I choose the one that are smooth	0.706
P2: Agarwood beads contain rich oil	0.743
P3: Agarwood beads have a pure, refreshing and natural smell	0.807
Motivation	0.798
M1: If I use the Agarwood beads, I will have a good health	0.788
M2: I tend to buy the Agarwood beads because I want to be a member of a wealthy group	0.826
M3: I prefer to buy the Agarwood beads garner respect from others	0.805
M4: Agarwood beads can bring me good fortune to me	0.761
M5: Agarwood beads bring me peace of heart and soul	0.792
M6: I believe that Agarwood beads help people avoid evil spirits	0.733
Learning	0.785
L1: I learned about the Agarwood beads from many information sources	0.764
L2: I have knowledge about Agarwood beads	0.805
Attitude	0.808
A1: I feel that Agarwood beads are useful to me	0.801
A2: I like Agarwood beads	0.847
A3: I feel proud when I use Agarwood beads	0.815
Purchase intention	0.850
PI 1: I am willing to buy Agarwood beads.	0.831
PI 2: I am willing to recommend Agarwood beads to my friend and family	0.847

The values of Cronbach's Alpha shows that all the variables (perception, motivation, learning, attitude and purchase intention) are among 0.708 to 0.850. This suggests that the items in each variable are reliable.

Research results

Demographic characteristics

There were 420 questionnaires distributed, but 20 questionnaires were discarded as uncompleted answers. Therefore, 400 questionnaires were

analyzed. Most of respondents were male (50.7%). The major age range was from 18 to 30 years old (40%). Most respondents held bachelor degree (59.8%), and were business employees (38.5%). Most respondents have a monthly income ranges from 4,000 to 6,000 yuan (26.8%).

Consumers' purchasing behaviors

There were 355 respondents (88.8%) desiring to buy Agarwood Wrist band. 75% of respondents intent to buy in

Physical Agarwood shops. Most respondents (66.8%) tended to buy during festive period. There were 176 respondents willing to pay in cash (44%). Most respondents (53%) answered that they purchased the Agarwood beads only one time per year. 243 respondents (60.8%) ever bought Agarwood beads. 167 respondents

(41.8%) bought them because of friends' recommendations.

The results of agreement level on psychological factors and purchase intentions

The level of agreement concerning the psychological factors (perception, motivation, learning and attitude) and purchase intentions are shown in table 2

Table 2 Level of agreement of psychological factors

Item	Mean	Std. Deviation	Level of agreement
Perception	4.07	.570	Agree
Smooth	4.01	.818	Agree
Rich oil	4.13	.835	Agree
Natural smell	4.36	.777	Strong Agree
High price indicate high quality	3.79	1.026	Agree
Motivation	3.61	.729	Agree
Good health	4.10	.862	Agree
Wealth group	3.06	1.231	Neural
Respect from others	3.05	1.197	Neural
Good fortune	3.81	1.027	Agree
Peace for heart and soul	4.18	.822	Agree
Evil spirits	3.50	1.124	Agree
Learning	3.50	1.019	Agree
Learning from many sources	3.61	1.136	Agree
Have knowledge	3.40	1.096	Neural
Attitude	3.75	.797	Agree
Useful	3.71	1.017	Agree
Like	4.12	.847	Agree
Proud	3.43	1.081	Agree

From table 2, With regard to the individual item of perception, respondents rated Agarwood beads with “Natural smell” at the strongly agree level, while “Rich oil”, “Smooth”, and “High price indicates high quality” at the agree level. In term of motivation, respondents rated Agarwood beads with “Good health” , “Good fortune”, “Peace for heart and soul” and “Evil spirits” at the neural level, while “Wealth group” and “Respect from others” at the agree level. For learning

factor, respondents rated Agarwood beads with “Have knowledge” at the neural level, while “Learning from many source” at the agree level. Regarding to the attitude factor, respondents rated Agarwood beads with “Useful”, “Like” and “Proud” at the agree level.

The results of hypothesis testing

Hypothesis 1 Consumers’ perceptions will positively affect consumers’ purchase intentions toward the Agarwood beads.

Table 3 Regression of perception toward purchase intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R ²
	B	Std. Error	Beta			
(Constant)	1.347	.265		5.078	.000	0.209
Sight	.259	.052	.243	5.018	.000	
Touch	.325	.053	.310	6.182	.000	
Smell	.050	.056	.044	.887	.375	

From table 3, the multiple regression analysis identifies two of three dimensions of consumers’ perceptions influencing purchase intentions, and with a positive direction. Especially, sight ($t=5.018$, $p<0.01$), touch ($t=6.182$, $p<0.01$), contribute to the purchase intention. The more consumers perceived the Agarwood beads by sighting and touching, the more they intend to purchase them. However, consumers’ perceptions by smelling does not statistical significantly affect the

purchase intention Agarwood beads. Therefore, hypothesis 1 is partially supported. The R² value is 0.209 meaning that the independent variables (sight, touch, and smell) can explain about one fifth of the dependent variable (purchase intention).

Hypothesis 2 Consumers’ motivations will positively affect consumers’ purchase intentions toward the Agarwood beads.

Table 4 Regression of motivation toward purchase intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R ²
	B	Std. Error	Beta			
(Constant)	1.172	.201		5.823	.000	0.333
Physiological needs	.214	.048	.211	4.494	.000	
Love and belonging	.036	.036	.050	.976	.330	
Esteem need	.230	.054	.252	4.264	.000	
Self-actualization	.261	.058	.239	4.515	.000	

From table 4, the multiple regression analysis identifies three of four dimensions of consumers' motivations influencing purchase intention Agarwood beads with a positive direction. These dimensions are physiological needs ($t=4.494$, $p<0.01$), esteem needs ($t=4.264$, $p<0.01$) and self-actualization ($t=4.515$, $p<0.01$), except for love and belonging needs. This implies that the greater consumers have positive motivations, Especially, physiological needs, esteem needs, and self-actualization needs, the more they

intend to buy Agarwood beads. Therefore, hypothesis 2 is partially supported. When considering the R^2 , the value is 0.333 representing that physiological, esteem, and self-actualization needs can explain about one third of consumers' purchase intention the Agarwood beads.

Hypothesis 3 Consumers' learnings will positively affect consumers' purchase intentions toward the Agarwood beads.

Table 5 Regression of learning toward purchase intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R ²
	B	Std. Error	Beta			
(Constant)	2.228	.128		17.348	.000	0.329
Conceptual learning	.196	.042	.255	4.622	.000	
Experiential learning	.298	.044	.373	6.770	.000	

From table 5, the multiple regression analysis indicates both two dimensions of consumers' learnings positively affecting their purchase intentions the Agarwood beads. These are conceptual learning ($t=4.622$, $p<0.01$) and experiential learning ($t=6.770$, $p<0.01$). The more consumers positively learned about Agarwood beads, the greater they intended to purchase them.

Regarding to R^2 , the value is 0.329 meaning that conceptual learning and experiential learning can explain about one third of the consumers' purchase intentions.

Hypothesis 4 Consumers' attitudes will positively affect consumers' purchase intentions toward the Agarwood beads.

Table 6 Regression of attitude toward purchase intention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R ²
	B	Std. Error	Beta			
(Constant)	.560	.144		3.888	.000	0.556
Cognitive (learning)	.482	.040	.467	11.974	.000	
Affective (felling)	.258	.036	.300	7.253	.000	
Conative (doing)	.129	.030	.159	4.275	.000	

From table 6, the multiple regression analysis indicates all three dimensions of consumers' attitudes positively influence their purchase intentions (see Table 6). There are cognitive (learning) ($t=11.974$, $p<0.01$), affective (felling) ($t=7.253$, $p<0.01$), and conative (doing) ($t=4.275$, $p<0.01$) It implies that the more consumers have positive attitudes toward the Agarwood beads, the greater they are likely to purchase them. Therefore, hypothesis 4 is fully supported, in that all of three dimensions of attitude are positively related to purchase intention. With regard to the R^2 , the value is 0.556 representing that the cognitive, affective, and conative

attitudes can explain about one half of consumers' purchase intentions the Agarwood beads.

Conclusion and implication

Conclusion

The self-administration questionnaires were collected in front of 14 Agarwood shops in Nanning, Guangxi. The 400 completed questionnaires were analyzed. Most respondents are between 18 and 30 years old and have a Bachelor's Degree in the aspect of education level. The majority respondents are general

employees which cover 38.5% of respondents. Most respondents have a monthly income from 4,000 to 6,000 CNY.

In terms of purchase behaviors, most of consumers prefer to purchase Agarwood Wrist band at Physical Agarwood shop in Festival period. As for the frequency of purchase, the majority respondents intend to purchase only one time per year. Most respondents prefer to use the credit card for purchase the Agarwood bead. The majority of respondents who bought Agarwood beads previously cover 60.8% of total respondents.

Hypothesis 1 aims at investigating the relationship between perception and purchase intention of Agarwood beads. The result of hypothesis shows that perception has a positive effect on purchase intention. The more positive perception (sight and touch) is, the greater the purchase intention will be in buying Agarwood beads.

Hypothesis 2 aims at investigating the relationship between motivation and purchase intention of Agarwood beads. The result of hypothesis shows that motivation has the positive impact on purchase intention. The more positive the perception (physiological needs, esteem need and self-actualization) is, the greater purchase intention in buying Agarwood beads will be.

Hypothesis 3 aims at investigating the relationship between learning and purchase intention of Agarwood beads. The result of hypothesis shows that learning positively affects purchase

intention. The more positive the learning (conceptual learning and experiential learning) is, the greater purchase intention in buying Agarwood beads will be.

Hypothesis 4 aims at investigating the relationship between attitude and purchase intention of Agarwood beads. The result of hypothesis shows that attitude has the positive affect purchase intention. The more positive the attitude which includes Cognitive (learning), Affective (feeling) and Conative (doing) is, the greater purchase intention in buying Agarwood beads will be.

Discussion

This section will discuss the result based on the 3 objectives in this study as follows: 1) to understand the consumer purchase behavior for Agarwood beads, 2) to understand the consumer purchase intention for Agarwood beads and 3) to investigate the psychological factors affecting the consumer purchase intention of Agarwood beads.

For the purchase intention of Agarwood beads, the respondents are willing to buy the Agarwood beads and willing to recommend buying the beads to their friends and family. For the purchase behaviors, most respondents intend to buy Agarwood wrist bands at Agarwood shops during festival periods. The respondent intend to buy one time per year by credit card.

The research of Huong (2012), found that consumer's perceptions play a significant positive role in the purchase intention of vegetables. The more positive the perception of the consumer, the more likely they will increase their purchase intention for vegetables is. The result in this current study supports the result from this previous study. The more positive the perceptions (sight and touch) consumers had, the more likely consumers would purchase the Agarwood beads.

The more consumers had positive motivations, especially. physiological needs, esteem needs, and self-actualization needs, the greater consumers tended to purchase the Agarwood beads. The results of this research is partially consistent with the results from the study of Chen (2012). He found that the motivations relating to profit, value, emotion, and achievement drove consumers purchasing products from the online.

The more positive learning which includes conceptual learning and experiential learning, the greater purchase intention in buying Agarwood beads is. The result in this study is supported by the statements from the previous studies. If people have a good experience with the products, they will repurchase them in the future (Olufisayo, 2011). Contrarily, people will not be willing to buy a product if they have bad experiences with it.

The research showed that there were three dimensions of attitude influencing

purchase intention in a positive direction. These factors are cognitive (learning), affective (feeling), and conative (doing). Similarly to the result of research by Chang (2011), it showed that there was positive correlation between the attitude and buying intention of celebrity endorsed apparel.

Implication of the study

Based on the finding of purchase behaviors, the Agarwood beads entrepreneurs should pay more attention to the Agarwood beads product, especially the Agarwood Wrist band. The entrepreneurs need to apply the beautiful and varied Agarwood Wrist bands to consumers because most consumers prefer to purchase Agarwood Wrist band instead of others Agarwood products. In addition, the Agarwood beads entrepreneurs should decorate the Agarwood shop to attract consumers because most respondents intend to purchase the Agarwood beads at the physical Agarwood shop. Moreover, the enterprises can offer some discount and sales promotion in the festive period to attract consumers, such as Mid-Autumn Festival or Chinese New Year because consumers prefer to purchase Agarwood beads in festival period.

In terms of information sources, the enterprises should give the information and provide powerful advertising about the Agarwood beads on the internet. Moreover, they have to offer good products to customers because customers can learn from their experiences and purchase due to friends'



recommendations. Regarding consumers' psychological factors and their purchase intentions, Agarwood beads entrepreneurs should focus on consumers' perceptions about sighting and touching the Agarwood beads. The more Agarwood beads are smooth and contain the rich oil, the more they are attracted by consumers. Moreover, the entrepreneurs need to pay attention to the consumers' motivations by providing information about physiological, esteem, and self-actualization needs of purchasing the Agarwood beads. In addition, the information and

advertisement should show the benefits of the Agarwood beads and how worth to buy. The salespersons should tell consumers about the usefulness of Agarwood beads. For example, it can help people to avoid evil spirit, to gain respect from others, to bring good fortune, and to make people healthy. The Agarwood beads entrepreneurs should always offer good products to consumers in order to attract them to buy the products. If consumers have the high knowledge and good experiences, they will be willing to purchase the Agarwood beads and recommend them to others.

References

- Anak, N. A., Mulliken, T., & Song, M. (2000). Heart of the matter: Agarwood use and trade and CITES implementation for *Aquilaria malaccensis* (pp. 1-52). Cambridge: Traffic International.
- Applebaum, W. (1951). Studying consumer behavior in retail stores. *The journal of marketing*, 172-178.
- Chang, L. (2011). Factors Influencing Changsha Teenager's Purchase Intentions towards Celebrity Endorsed Apparel. *Graduate School of Business Journal*, 4(2), 37-46.
- Chen, C. P. (2012). Online group purchase behavior in CC2B e-commerce: Understanding consumer motivations. *Journal of Internet Commerce*, 11(3), 254-270.
- Chen, L. X., (2014, Dec 30). The benefits of Agarwood beads. Retrieved from <http://news.artron.net/20141230/n696458.html?from=groupmessage&isappinstalled=0>
- Deci, E. L., & Ryan, R. M. (1985). Intrinsic motivation and self-determination in human behavior. Springer Science & Business Media.



- Durmaz, Y. (2014). The Impact of Psychological Factors on Consumer Buying Behavior and an Empirical Application in Turkey. *Asian Social Science*, 10(6), p194.
- Edu, T., Negricea, I. C., & Ionescu, A. (2013). Consumer Behavior Patterns: Identifying Buying Motives For Cool Drinks Amongst South Africans Under 35 Years Old. *Romanian Economic Business Review*, 8(1), 73-91.
- Grewal, D., Krishnan, R., Baker, J., & Borin, N. (1998). The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions. *Journal of retailing*, 74(3), 331-352.
- Hanna, W. (2013). *Consumer behavior: An Applied Approach* (4th ed.). Kendall Hunt Publishing.
- Johns, G & Saks, AM. (1983). *Organizational behavior* (7th ed.). Canada: Education Canada.
- Lamb, C., Hair, J., & McDaniel, C. (2011). *MKTG 5*. Cengage Learning.
- Lantos, G. P. (2010). *Consumer behavior in action*. ME Sharpe.
- Lv, F. H., & Gao, W. X. (2013). The research of present trading situation and development prospect of Chen Xiang. (in Chinese)
- Kotler, Ph. and Keller, K. L. (2006) *Marketing Management* 12th ed., NJ: Pearson ed.
- Linh, L. T. (2014). Factors affecting consumers' purchase intention of safe vegetables in Ho Chi Minh city (Doctoral dissertation, International University HCMC, Vietnam).
- LIU, D. (2013). Factors influencing Chinese Consumer Online Group-Buying Purchase Intention: An Empirical Study.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological review*, 50(4), 370.
- Mohammadian, M., Alipoor, H., & Daryani, S. M. (2013) Surveying the Effects of Cooperation Companies Perception of Brand Personality in Buying Decision of Ardabil Citizens.
- Olufisayo, 2011. How Psychological Factors Affects Consumer Behavior. Retrieved from <http://www.entrepreneurshipsecret.com/how-psychological-factors-affects-consumer-behaviour/>
- Ondabu, I. T. (2014). A Theory of Human Motivation: The Tirimba Grouping Theory of Motivation. *SOP Transactions on Economic Research*, 1(1), 16-21.



- Onozaka, Y., Nurse, G., & McFadden, D. T. (2010). Local food consumers: how motivations and perceptions translate to purchase behavior. *Choices*, 25(1), 1-6.
- Palani, S., & Sohrabi, S. (2013). CONSUMER ATTITUDES AND BEHAVIOR WHEN SELECTING A HOLIDAY DESTINATION: Introducing Kurdistan to the Finnish traveler.
- Putro, H. B., & Haryanto, B. Factors Affecting Purchase Intention of Online Shopping in Zalora Indonesia.
- Strydom, J. (Ed.). (2005). Introduction to marketing. Juta and Company Ltd.
- Thanyamon, S. (2012). CONSUMER BEHAVIOR IN purchase HOME FURNISHING PRODUCTS IN THAILAND.
- Reid-Cunningham, A. R. (2008). Maslow's theory of motivation and hierarchy of human needs: A critical analysis. Unpublished thesis, School of Social Welfare, University of California Berkeley.
- Ryan, R. M., & Deci, E. L. (2000). Intrinsic and extrinsic motivations: Classic definitions and new directions. *Contemporary educational psychology*, 25(1), 54-67.
- Šarčević, D., Lilić, S., Đorđević, V., Milićević, D., Vranić, D., Lakićević, B., & Milijašević, M. (2011). The role of consumers' perception and attitude in purchase of meat and meat products. *Tehnologija mesa*, 52(2), 283-290.
- Sarker, S., Bose, T. K., Palit, M., & Haque, M. E. (2014). Influence of Personality in Buying Consumer Goods-A Comparative Study between Neo-Freudian Theories and Trait Theory Based on Khulna Region. *International Journal of Business and Economics Research*, 2(3), 41.
- Sheth, J. N. (1996). Organizational purchase behavior: past performance and future expectations. *Journal of Business & Industrial Marketing*, 11(3/4), 7-24.
- Solomon, M. R., Polegato, R., & Zaichkowsky, J. L. (2009). Consumer behavior: buying, having, and being (Vol. 6). Upper Saddle River, NJ: Pearson Prentice Hall.
- Strydom, J. (Ed.). (2005). Introduction to marketing. Juta and Company Ltd.
- Thanyamon, S. (2012). CONSUMER BEHAVIOR IN purchase HOME FURNISHING PRODUCTS IN THAILAND.



- Thokchom, R. S. (2012). The Rise of an Apparatchik: Factors Affecting Bangkok-based Consumers' Purchase Intention for Smartphones. *AU-GSB e-JOURNAL*, 5(1).
- Underwood, C. (2002). Belief and attitude change in the context of human development. Sustainable Human Development, from Encyclopedia of Life Support Systems (EOLSS), Developed under the Auspices of the UNESCO, Eolss Publishers, Oxford, UK, [<http://www.eolss.net>].
- Wang, X. (2012). Attitude toward the Advertising and Subjective Norm on Purchase Intention: A Case of Television Advertising of Beauty and Personal Care Products in Bangkok (Doctoral dissertation, University of the Thai Chamber of Commerce).
- Wani, T. A. (2013). Buying Behaviour-An Islamic Perspective: An Analysis of an Ideal Muslim Buying Behaviour. *International Journal of Research in Commerce and Management*, 4(10), 152-155.
- Webster, F. E., & Wind, Y. (1996). A general model for understanding organizational buying behavior. *Marketing Management*, 4, 52-57.
- Xiao, M., (2014, Oct 14). Introduce Agarwood-What is Agarwood. Retrieved from <http://www.wenwuchina.com/news/view/cat/0/id/223737>
- Xie, B. (2012). Factors Affecting Purchase Intention of Electric Cooking Appliance in Thailand (Doctoral dissertation, University of the Thai Chamber of Commerce).