

Mixed Reality Luxury Perfume Showroom Technology: Analysis of Chinese Millennial Consumers Revisit and Purchase intention

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01 Introduction





Introduction

- Luxury brands were usually **conservative** about moving digital and viewed e-commerce with caution.
- Luxury fashion companies ---- “**Internet Dilemma**”
- The shares of the luxury market have nearly **doubled** in China from **11%** to **20%** at the end of 2020.
- The critical factors are the **digitalization** of luxury brands and the spending habits of **young** consumers.



02 Problem Statement



2 | Problem Statement / Research Purpose



1. To adopt the three attributes of **VR** technology (e.g., interactivity, vividness, and novelty), and add aesthetics as an additional attribute of **AR** to examine the **direct effects** of these attributes on user **patronage intention** (revisit intention and purchase intention).
2. To examine **mediating effect** of **telepresence** (Beuckels and Hudders, 2016) on consumers' perceptions of technology **acceptance (TA) attributes**.
3. To examine the **moderating effect** of consumers' **brand trust** (Kim and Jones, 2009) in luxury brands between the relationship of **TA attributes and user patronage intention**.





03 Literature Review



3 | Literature Review

Source	AR or VR	AR Attributes	Effects of AR/VR Attributes
Beuckels and Hudders (2016)	VR luxury store	Interactivity	Telepresence and higher perceptions of luxury products
Van Kerrebroeck et al. (2017)	VR video of the North Face	Vividness	Telepresence, attitude toward the ad, brand attitude. and purchase intention
Poushneh and Vasquez-Parraga (2017)	Virtual product model - Ray-Ban sunglasses	Interactivity	User experience, user satisfaction, and user's willingness to buy
Yim et al. (2017)	AR web-based of Tissot and Ray-Ban	Interactivity; Vividness	Immersive, perceived usefulness, perceived enjoyment, attitude, and purchase intentions
Algharabat (2018)	3D product presentation	Interactivity; Vividness	Telepresence
Jang et al. (2019)	VR store	Interactivity; Vividness	Perceived telepresence, experiential shopping value, and consumers' approach intention
McLean and Wilson (2019)	AR mobile app	Interactivity; Vividness; Novelty	Perceived ease of use, usefulness, and enjoyable
Yim and Park (2019)	AR try-On	Interactivity; Novelty	Consumer's perceived body image in consumer evaluation and intention to adopt

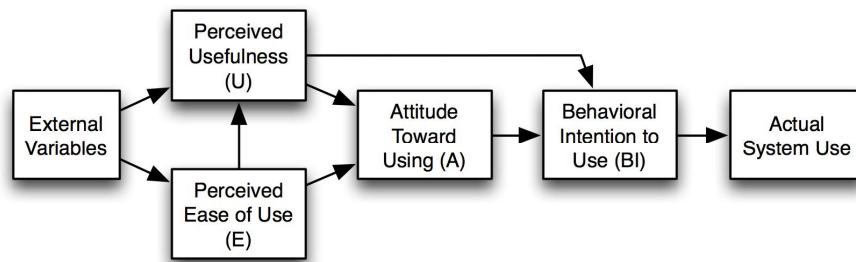
3 | Literature Review – continued

Haile and Kang (2020)	AR mobile	Interactivity	Consumers' cognition and affection attitudes
Kang et al. (2020)	3D VR store	Interactivity; Vividness	Perceived informativeness, playfulness, and purchase intention
Park and Yoo (2020)	AR mobile app	Interactivity	Mental imagery, consumers' attitudes toward a product, and behavioral intention.
Kazmi et al. (2021)	VR mirror	Aesthetic	User experience, attitude, and purchase intention.
Kim et al. (2021)	IKEA VR store	Interactivity; Vividness	Telepresence, Utilitarian benefits (usefulness) and hedonic benefits (enjoyment), attitudes toward VR, and behavioral intention
Nikhashemi et al. (2021)	IKEA AR mobile app	Vividness; Novelty	Utilitarian benefits (usefulness) and hedonic benefits (enjoyment).
Yuan et al. (2021)	VR try-On	Aesthetic; Novelty	Users flow experience
Wang et al. (2022)	AR make-up mobile app	Vividness; Aesthetic	User feelings on spatial presence of a beauty products store.

04 Theoretical Framework



4 | Theoretical Framework-TAM



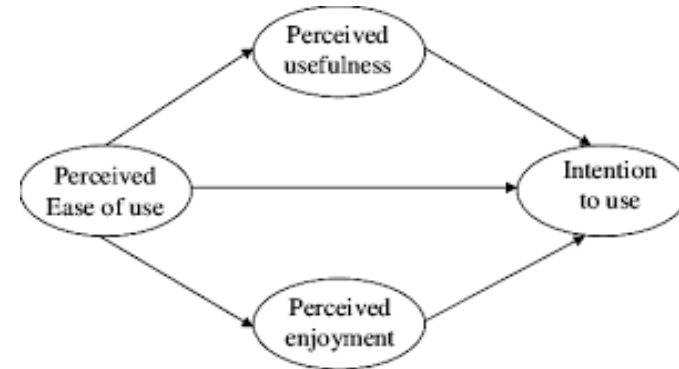
Technology Acceptance Model (TAM)
(Davis, 1989)

Perceived ease of use (PEU)

The degree to which a person believes that using technology would be free of effort (Davis, 1989).

Perceived usefulness (PU)

The degree to which a person believes that using technology would enhance his or her job performance (Davis, 1989).



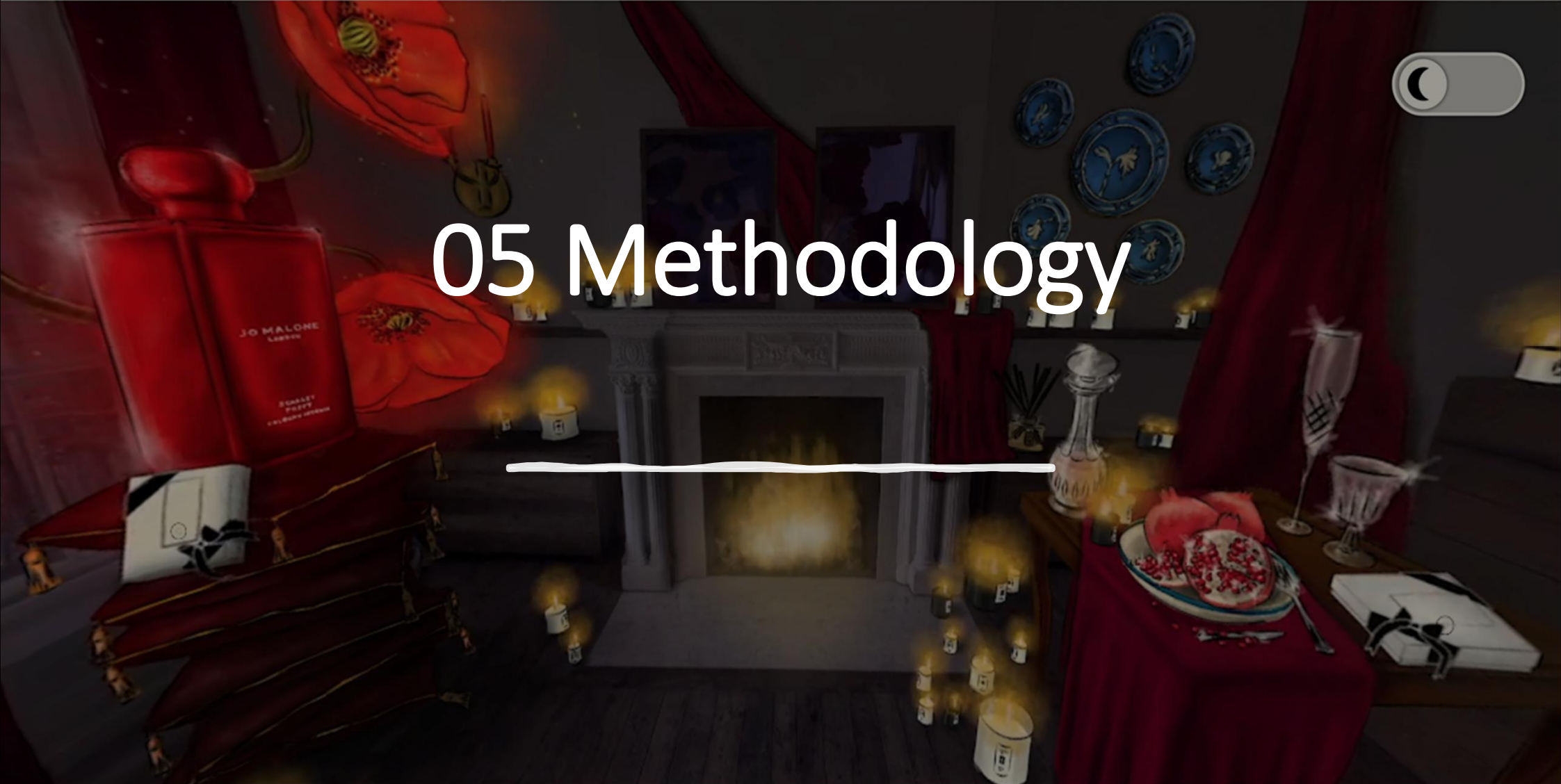
Technology Acceptance Model (TAM)
(Davis et. al, 1989, Venkatesh et. al, 2003)

Perceived enjoyment (PE)

The degree to which the activity of using technology is perceived to be enjoyable in its own right apart from any performance consequences that may be anticipated (Davis, Bagozzi, & Warshaw, 1992)

Intention to use

A person's intention to use technology (Davis, 1989).



05 Methodology

5 | Methodology

Empirical Study

Using empirical evidence to gain knowledge by means of direct and indirect observation or experience

This research use 7-point Likert scale online questionnaire to obtain information of Chinese customers aged from 23 to 38.

Quantitative Methodology

Pretest

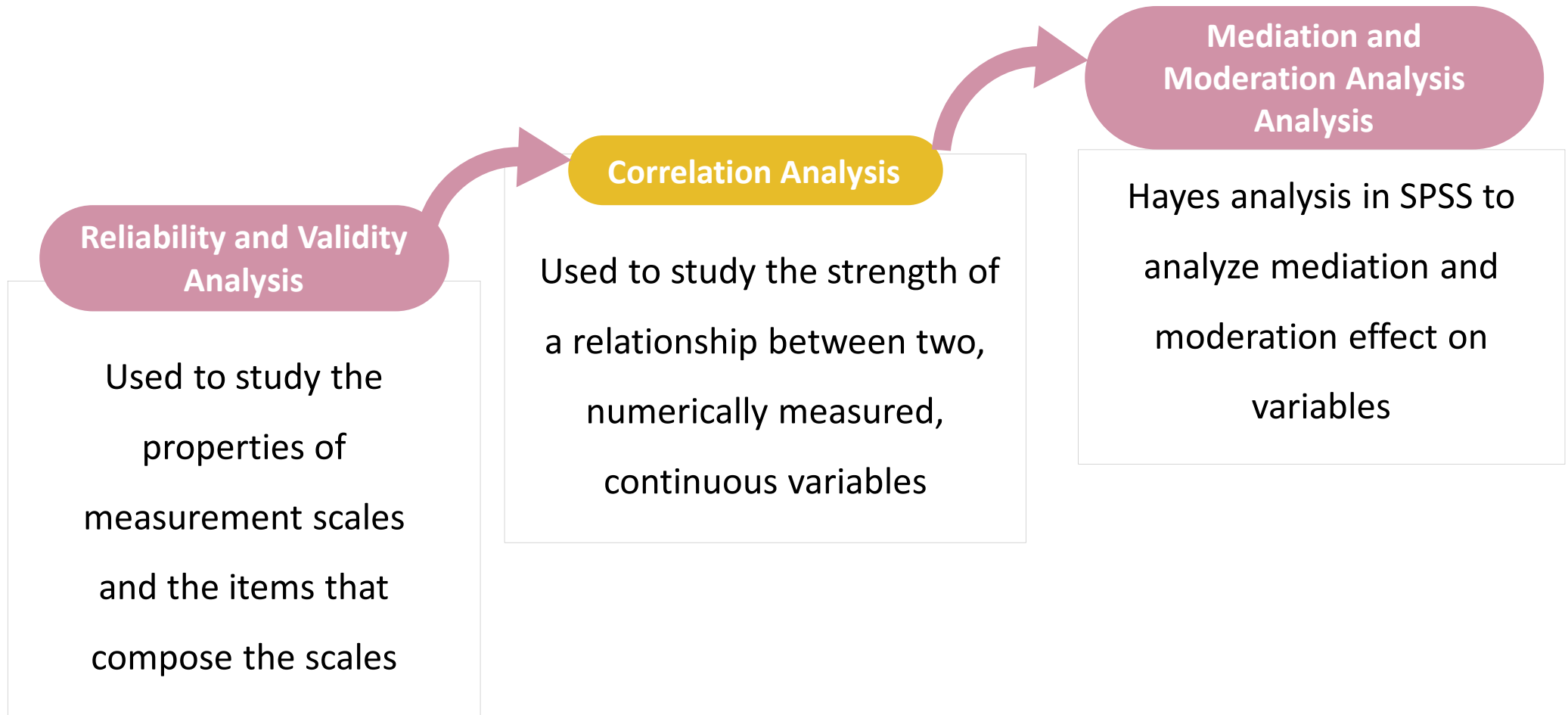
Provide reliability and validity of all measurements.
(45 respondents; Cronbach's Alpha (α) of Each Variable >0.7)



06 Result & Discussion



6 | Statistical Tools





07 Conclusion & Implication



7.1 | Conclusion



- Findings appear to imply that shows that millennials' RI to use the MRS is **positively associated with** their intention to purchase luxury perfumes online. All the attributes of MRS (IT, VV, AS, and NV) are **significant** for providing a unique consumer digital interface such as telepresence for millennial luxury consumers.
- Moreover, findings are **consistent with** previous studies investigating the mediating effect of telepresence in an AR or VR context (Algharabat, 2018; Kim et al., 2021).
- It is noticeable that brand trust **positively moderates** the influences of TP (H14b), PEOU (H14d), PU (H14f), and PE (H14h) on millennial consumers' intention to purchase luxury perfumes online using MRS.

7.2 | Implication



01

This is the **first** paper to focus on **luxury perfume** VR/AR technology with the application of **MRS**, which might be of great importance as many previous scholars investigate online luxury consumption through MR.



02

luxury brands deploying **MRS** should carefully consider some **attributes** can enhance customer journeys, add value to the customers' experience and generate **positive** revisit intention and purchase intention



03

Concerning perfume luxury retailers, the application of MRS attributes can enhance the **audiovisual stimuli** in digital technology.

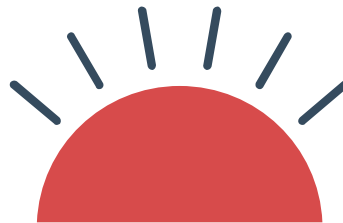
8 Limitations & Future Research



8 | Limitations & Future Research

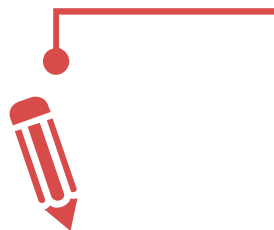


only did research
about Chinese
millennial luxury
consumers



different generations

cross-culture
study



other factors can affect the
patronage of MRS. (e.g.
augmentation, fantasy...)



Thank you

