How Perceived Value and Risk Affect U.S. Consumers' Purchase Intention toward Second-Hand Luxury Goods

Gianna Desch, Hsiu-li Fang, Justin Janke, Xingqiu Lou, and Ting Chi, Washington State University

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Introduction. Due to increasing environmental awareness, consumers are more focused on consuming greener products that help reduce pollution. This can be seen in the growth of the second-hand luxury market, which has expanded into a business worth $25 billion in global annual revenue and is expected to exceed $40 billion by 2022 (ThredUp, 2019). Luxury products' timelessness and durability increase their product value and appeal to sustainability through resale practices (Gopalakrishnan & Degirmencioglu, 2020). The consumption patterns of second-hand luxury promote recyclable and sustainable practices through a circular economy (Kessous & Valette-Florence, 2019; Machado et al., 2019).

Literature Review and Rationale. Despite the existing knowledge on consumer luxury shopping behavior and consumer environmentalism movement, limited studies have been conducted to help understand what are the key factors influencing consumers' purchase intention toward second-hand luxury goods (Aycock, 2021; Turunen et al., 2019). This study aimed to address the gap in the literature and generate the insights on this emerging issue for both academics and marketers. The Consumer Perceived Value model (CPV) provides a theoretical framework to measure how a product or service performs in terms of consumer perceived value (i.e., economic value, quality value, social value, emotional value, and environmental value) (Chi & Kildruff, 2011; Ganak et al., 2020). Given the second-hand nature in this study, perceived risk was also included in the proposed model.

Figure 1. Proposed Research Model for Consumer Secondhand Luxury Good Purchase.
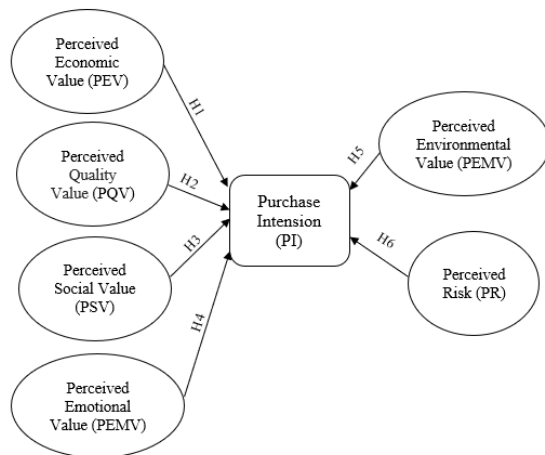
Methodology. The scales for purchase intention, perceived economic value, perceived quality value, perceived social value, perceived emotional value, perceived environmental value and perceived risks were adapted from previous literature (Guiot & Roux, 2010; Cui et al., 2019; Truong, 2010; Kim, et al., 2021; Eastman et al., 1999). 7-point Likert Scale (1= strongly disagree and 7= strongly agree) was applied to all scales. The demographic variables including age, gender, education level and income level were included as control factors. The primary data

were collected via Qualtrics and Amazon Mechanical Turk survey platform was used to recruit participants. 340 eligible responses were gathered for data analysis and hypothesis testing. The statistical assumptions including normality, multicollinearity, and correlations were examined (Nunnally & Bernstein, 1978). Unidimensionality, reliability, and validity of the investigated constructs were tested for proving model adequacy (Byrne, 1998). SPSS27 was used to run multiple regression to determine the proposed hypotheses.

Findings and Discussion. Table 1 presents the testing results of all the hypotheses. Among six hypotheses, four of them (H2, H3, H4, and H5) were statistically significant at $p < 0.05$ level. Specifically, perceived quality value (PQV), perceived social value (PSV), perceived emotional value (PEMV), and perceived environmental value (PENV) significantly affect U.S. consumers' purchase intention toward second-hand luxury goods while perceived economic value and perceived risk do not play a significant role in their purchase intention. This shows that the second-hand luxury goods market seems to be established. The price benefit is no longer the primary reason for consumers to shop second-hand luxury goods and the risk in shopping second-hand luxury goods seems less concerned by consumers. The main reasons for U.S. consumers to shop second-hand luxury goods are social and environmental considerations. Consumers see owning luxury goods shows their social status and self-fulfilling. In the meantime, buying second-hand instead of virgin products contributes to the environmental protection and acts as responsible consumers. In addition, quality of second-hand luxury goods is important for consumers while joyfulness in finding desired second-hand luxury goods is highly regarded by consumers. There are no significant effects by demographic variables. However, in general, young, female consumers with lower education level and income level seem to be more adaptive to second-hand luxury goods. The proposed research model exhibits a good explanatory power, accounting for 75.4% of variance in U.S. consumers' purchase intention toward second-hand luxury goods.

Table 1. Results of hypothesis testing

Hyp.	DV	IDV	Std. Coef. (β)	t-value	Sig. at $p < .05$	Control variable	Std. Coef. (β)	t-value	Sig. at $p < .05$	Total R^{22}	Sig. at $p < .05$
	PI	Constant		3.029	.003						
H1	N	PEV	.062	1.174	.241	Age	-.012	-.418	.676		<.000
H2	Y	PQV	.276	4.389	.000	Gender	.034	1.200	.231	.754	$F=$ 100.70 (10/329)
H3	Y	PSV	.100	2.234	.026	Education	-.051	-1.779	.076		

H4	Y	PEMV	.409	7.098	.000	Income	-.055	-1.921	.056
H5	Y	PENV	.250	4.696	.000				
H6	N	PR	.001	.033	.974				

Note: Hyp.= Hypothesis; Y: Hypothesis Supported; N: Hypothesis Not Supported; Std. Coef.=Standardized Coefficients, DV: Dependent variable. IDV: Independent variable; PI= Purchase Intention, PEV= Perceived Economic Value, PQV= Perceived Quality Value, PSV= Perceived Social Value, PEMV= Perceived Emotional Value, PENV= Perceived Environmental Value, PR= Perceived Risk.

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