



FACTORS INFLUENCING YOUNG CONSUMER TRUST IN ONLINE PURCHASE DECISION OF LUXURY PERFUME IN MALAYSIA: A PRELIMINARY QUALITATIVE STUDY

Nur Fariyah Isamudin^{a,b*} and Ikra Binte Islam^{a,c}

^aDepartment of Business Administration, Kulliyah of Economics and Management Science, International Islamic University, Malaysia, Jalan Gombak, 53100 Kuala Lumpur, Malaysia. (Email: ^bmissnuredsassin@gmail.com, ^cikraislam07@gmail.com)

ABSTRACT

This qualitative study aims at investigating the factors influencing young consumer trust towards purchase decision of luxury perfume online. Data were collected through interviewing 5 consumers via real time online chatting method. Data were examined based on content analysis. A preliminary model was then developed as a basis to explain the relationship between the factors extracted, consumer trust and purchase decision. The findings of the study reveal crucial factors which influence consumer trust in purchasing luxury perfume online namely reputation of online sellers, peer customer reviews, recommendation from experts, proof of product authenticity and past experience. The study also incorporates in depth discussion regarding the criteria of reputable sellers. This study discloses meaningful consumer insights regarding motivation towards online shopping, the risks encountered and suggestions for making better purchase decisions. The findings provide invaluable insights for marketers especially those in the luxury perfume industry in Malaysia to devise effective marketing strategy for gaining consumer trust. This study contributes to implementing Sustainable Development Goals (SDG) item 12 emphasizing responsible consumption and production. Findings from this study provide guidelines for consumers in making purchase decisions and to avoid being scammed by online sellers; the findings benefit regulatory bodies in revising policies for protecting consumer rights in Malaysia.

JEL Classification: D18, D91, M3

*Corresponding author: *missnuredsassin@gmail.com*

Keywords: Luxury consumer behavior, Online purchase decision, Consumer trust, Luxury perfumes, Malaysia

Submitted: 03/09/2021 Accepted: 13/04/2022 Published: 28/12/2023

1. INTRODUCTION

Rising trends in personal grooming and improved living standards favored the global perfume market expected to be worth USD\$43420 million in 2022 and predicted to expand to USD\$70170 million by 2028 (Absolute Reports, 2022). In Malaysia, the perfume industry was worth MYR622 million in 2018 and is forecasted to grow to MYR863 million in 2023 with a CAGR of 7% (Lim, 2020). According to Statista (2023), the Malaysian fragrance market revenue was worth USD 0.37 billion in 2023. A market research company Janio reported evidence of profitability in marketing fragrances on e-commerce platforms in Malaysia. Apart from e-commerce marketplaces such as Shopee, Lazada, and Zalora, reseller websites such as Luxury Perfumes.com, PerfumeStore.com, and Perfume Berry.com showed stronger distribution for luxury perfumes in Malaysia (Lim, 2020). Furthermore, the Covid 19 pandemic has also shifted consumers to e-commerce (Mordor Intelligence, 2020).

Generally, the perfume industry has two main market categories, the mass market and luxury market. Luxury perfumes carry the brand name of prestigious fragrance houses and are sold at a premium price and marketed to high-end users who value luxury and exclusivity (Canadean, 2014). Further, luxury perfumes can be categorized by designers' perfumes, niche perfumes (Hin, 2021) and celebrity perfumes (Brooke, 2017). According to Hin (2021), designers' perfumes are created by fashion designer brands while niche perfumes are created by companies that solely focus on perfumes. Besides that, designer brands such as Chanel and Dior are also producing private or exclusive lines as distinctive as niche fragrances (Hin, 2021). On the other hand, celebrity perfumes are, as the name suggests, perfumes associated or branded with celebrity names (Sinks, 2017).

In the e-commerce era, luxury brands had embraced the new norm in business for them to increase global brand awareness and achieve exponential growth. It however poses a challenge for the marketers of luxury perfumes to market their products online since luxury perfumes are regarded as a complex experience type of product which requires sensory shopping experience that cannot be

fulfilled through online shopping. Furthermore, the existence of fake online luxury perfume sellers made it harder to gain consumer trust and convince online buyers. As opposed to purchasing the product directly from the boutique or retail store, in online setting, product authenticity might be another factor to be considered (Yu, Hudders and Cauberghe, 2018; Lee and Moon, 2015) especially if the products are sold in online platforms other than the official brand website such as through resellers. Wu, Cheng and Chaney (2013) reported that the known scenario of counterfeit goods trading that happened with the help of Internet has added more risk in purchasing luxury products online. In October 2020, the Malaysia local news agency Bernama reported that a famous social media influencer on Instagram or an 'Instafamous' was detained for selling counterfeit luxury perfumes (Ang, 2020). A similar case was reported in December 2020 with two people arrested for having 33,272 units of counterfeit perfume worth RM1.7 million that normally will be distributed to wholesalers around the Klang Valley or sold online (Bernama, 2020).

From the consumer perspective, making a decision to purchase luxury perfume online is not easy and it involves a higher perceived risk since the products are typically expensive. Consumers need to weigh in a few factors to minimize the risk of online shopping such as product and financial risk. In addition, with fake luxury perfume being widely sold in the market, consumers who are unaware of the issue and are not well-informed on how to distinguish authentic products from the fake one might become more vulnerable to the risk of buying fake products from irresponsible online sellers. Even though past studies have been conducted to understand online consumer behavior, very few studies have truly focused on unique luxury perfume consumer behavior in online settings (Yew and Kamarulzaman 2020; Rehmana, Bano and Bhatti 2019). In addition, many scholars argued that trust is a prerequisite for successful e-commerce (Falahat, 2019; Steyn and Mawela, 2016; Fang et al., 2014; Kim, Ferrin, and Rao, 2008; Bart et al., 2005). Thus, it is of paramount importance to study consumer trust by including this element in the consumer decision making model. This study aims at adding value to the body of knowledge by providing an in-depth insight from the real consumers on factors influencing their trust to purchase luxury perfume online through qualitative measure. Furthermore, a framework that explains consumer trust in making online purchase decisions of luxury perfume was also developed from the data collected.

2. LITERATURE REVIEW

In the classic consumer decision making process, five stages are involved which are problem recognition, information search, evaluation of alternatives, purchase decisions and post-purchase decisions (Kotler, 2000). Generally, consumers will do a more extensive information search before deciding to purchase an expensive product that poses a higher perceived risk. In the consumer perspective, perceived risk affiliated with online shopping can be characterized as a form of financial risk, product risk, security risk, time risk, social risk and psychological risk (Ariffin, Mohan and Goh, 2018). Kumar and Kashyap (2018) in this regard mentioned that information availability increases the likelihood of turning online browsers into buyers. Furthermore, Jiang, Chan and Chua (2010) revealed that decision aids for instance social connections, human experts or expert systems ease consumers' choice information and eventually decision making process while navigating websites. Mican and Sitar-Taut (2020) in their study divulged that product features, confidence in the online shop, product reviews, product price and customer evaluation from trusted sources have significant influence on consumers' overall decision-making process regarding online shopping.

Furthermore, when purchasing online, trust is seen as an essential component to build up consumer confidence and eventually enabling complete transaction (Hidayat et al., 2021; Wang et al., 2015). According to Punyatoya (2018), in the marketing context, trust is defined as the consumer's willingness to accept vulnerability in e-transaction based on positive perception regarding an online retailer. Kim et al. (2008) presented four categories of antecedents which influence consumer trust in e-commerce namely cognitive or observation-based, affect-based, experience-based and personality oriented. According to the authors, the example of cognitive or observation-based trust antecedent are privacy protection, security protection, system reliability and information quality' meanwhile, affect-based trust antecedent includes reputation of Internet vendor, presence of third-party seals and customer review (Kim et al., 2008). On the other hand, experience-based trust antecedent can be described as consumer familiarity with e-commerce while personality-based trust antecedent is related to consumers' habits and shopping style. Chen and Dhillon (2003) have proposed three dimensions of trust in Internet vendor that are competence, integrity and benevolence. Chen and Dhillon (2003) further described

competence as the company's ability to fulfil promises made to customers while integrity implies the consistency, reliability and honesty of the company and finally, benevolence suggests the ability to demonstrate sincere concern for customer welfare.

3. METHODOLOGY

3.1 RESEARCH DESIGN

This study is qualitative in nature. Interview method was adopted to collect the data from the respondents. This method is chosen to conduct this study since the aim is to attain deep insights into the factors influencing consumer trust towards purchase decision of luxury perfume online.

3.2 POPULATION AND SAMPLING

The population in this study is young luxury perfume consumers in Malaysia. Purposive sampling method was employed to get the sample for the study. This method is employed since the target respondent for this study is exclusively young luxury perfume consumer in Malaysia who has purchased luxury perfume online. The respondents selected were young people in Malaysia who have knowledge and past experience in purchasing luxury perfumes online.

3.3 INSTRUMENT DESIGN

Semi-structured questionnaire had been prepared to ensure the interviews achieved the objectives of the study. Expert feedback had been sought to improve the interview questions. The questions are indicated in Table 1.

TABLE 1
Interview Questions

No.	Questions
1	What are the reasons you choose to shop luxury perfume online?
2	Can you share with me from which sites/platforms do you normally shop for luxury perfume? How do you know about them?
3	What makes you buy from them?
4	How do you know you can trust them?

TABLE 1 (*continued*)

No.	Questions
5	What can online sellers do/provide in their online stores to assure the customers that they can be trusted?
6	What type of information do you normally look for before buying a luxury perfume online?
7	Have you encountered any unpleasant experience with online shopping for luxury perfume? Can you describe your experience?
8	In your opinion, what are among common risks of purchasing luxury perfume online? What do you suggest in order to avoid those risks?
9	What is your advice for consumers who want to purchase luxury perfume online?

3.4 DATA COLLECTION

In the beginning, a total of ten people were contacted through social media to participate in the study where eight people responded. Only five people, however, were available and willing to be interviewed. Appointments were set with each participant accordingly. Each participant was given a link to a Google Form where they need to read the interview protocol and were asked for their consent before the interview were conducted. The five participants were interviewed through real-time online chatting method via social media to get real insights on factors that influence their trust in purchasing luxury perfume online. The interview sessions were conducted in four days. The average duration of each interview was around 1 hour. It was observed that the participants were all very cooperative and were sharing their thoughts more freely since they do not have to show their faces and they were not intimidated by the researcher. After the interview, the participants were contacted again to verify the respective interview transcripts. Since online chatting had been employed as the interview method, the transcription process was seamless and almost effortless since everything that had been shared in the interviews were already recorded in text. After that, data analysis was conducted. The details of participants involved in this research are shown in Table 2.

TABLE 2
Demographic Profile of Respondents

Code	Gender	Age	Occupation
Participant 1	Female	27	Lecturer
Participant 2	Female	27	Business Owner
Participant 3	Male	27	Engineer
Participant 4	Female	27	Engineer
Participant 5	Male	25	Business Owner

3.5 DATA ANALYSIS

Data in the study were analyzed using content analysis method. The interview transcripts were first screened to identify the segments useful for the study. Next, coding was done through dividing the data into themes and categories. Then, the coding was put in a table to ease the sorting process. The data were then interpreted following the research objectives. Finally, a model that explains the factors influencing consumer trust in online purchase decision of luxury perfume in Malaysia was developed.

4. ANALYSIS AND RESULTS

This section presents the insights gathered from participants in Malaysia regarding factors that influence their trust to purchase luxury perfume online. The content of the interview transcripts was analyzed and the useful excerpts which fulfil the research question were identified and sorted by themes and categories. In this study, two main themes identified are consumer trust in online sellers and the criteria of reputable sellers. Researchers have generally agreed that trust can be divided into two types, cognition-based trust and affect-based trust (Nghia, Olsen and Trang, 2020; Punyatoya, 2019; Ha et al., 2016; Kim et al., 2008; Morrow, Hansen and Pearson, 2004; McAllister, 1995). Consumer cognitive trust reflects belief in a retailer's honesty, accuracy, dependability, and ability to keep promises (Dabholkar, Dolen and Ruyter, 2009), whereas affective trust refers to the positive feeling consumers have during a shopping experience (Johnson and Grayson, 2005). The example of cognitive trust antecedent are privacy protection, security protection, system reliability and information quality (Kim et al., 2008). Meanwhile, affect-based trust antecedent includes reputation of Internet vendor,

presence of third-party seals and customer review (Kim et al., 2008). In addition to cognitive and affective trust, Kim et al. (2008) presented two additional dimension of trust which are experience-based and personality-based. Experience-based trust antecedent can be described as consumer familiarity with e-commerce while personality-based trust antecedent is related to consumer habits and shopping style (Kim et al., 2008). In this study, it was identified that experience-based trust or consumers' past experience also plays the role in influencing their purchase decision.

In the first theme which is consumer trust in online sellers, three categories were derived namely affect-based trust, cognitive-based trust and experience-based trust. These categories are based on the literature. Meanwhile, for the second theme which is criteria of reputable sellers, the categories extracted are competence, benevolence and integrity. These categories are based on Chen and Dhillon (2003) who proposed three dimensions of trust in Internet vendor; competence, integrity and benevolence.

As for the affective-based trust category, the result of analysis shows that according to the participant, finding reputable seller or trusted source is the most crucial step in online shopping of luxury perfume since there is an associated financial risk due to the expensive nature of luxury perfume. For instance, participant 4 mentioned,

“Find a reputable seller, it is the most crucial part in my opinion.” (Participant 4)

“...I cannot emphasize less about the importance of buying from reputable sellers because we are not dealing with a small amount of money here. We are going to lose a lot if we mistakenly chose the wrong seller.” (Participant 4)

“...You will not care much about the price difference if you believe you have made a purchase from a trusted source.” (Participant 4)

In addition, the participants also revealed that reviews from other consumers and recommendation from the experts also helped them to trust the online sellers. These factors also fall under the category of affect-based trust. The participants mentioned,

“...also from customer feedback (please read the review) ...”
(Participant 1)

“...and testimonials from customers.” (Participant 2)

“Because I know them as trusted seller from my close one.”
(Participant 3)

“...I think when I read the post at social media that the seller is always vouched by fragrance enthusiasts.” (Participant 3)

“...Not only consumers sometimes other sellers also will acknowledge their friends who also sell perfume that can be trusted.” (Participant 3)

“... Vouch from other trusted Fragheads who used to buy original perfume, reviews from previous buyers...”
(Participant 4)

Participant 4 then further described the term Fragheads which indicate the experts or well-experienced people that can be both consumers and sellers of luxury perfume as:

“In my opinion, a Fragheads is someone who is into fragrance. One who loves and has the knowledge of perfumes. One who used to buy and wear perfumes in their life. One who can spot or distinguish between original/fake perfume, real price/too good to be true.” (Participant 4)

She also mentioned,

“Fragheads is not necessarily a community. It can also be any individual that you know/follow. For example, your mother who is into fragrance and knows so much about it.”
(Participant 4)

Next, in the category of cognitive-based trust, the participants mentioned that information quality, pricing and label/packaging acts as proof of product authenticity which can influence consumer trust in making online purchase decision. This argument is supported by the following quotes:

“Actually, i watch “Miss X” YouTube channel, sharing about luxury perfume. At first, I thought it was not an original perfume. But after hearing the explanation, I am sure it is an original luxury perfume. Then I followed her IG.” (Participant 1)

“... when they compare the price, the packaging and others details that can differentiate between original perfume and fake perfume. So when they show this, it is not only we trust them as a seller but also, they know what they sell. We can see that they know what they sell.” (Participant 3)

“... The price offered is promising (not too cheap) ...” (Participant 4)

“First of all, if the seller such as on Instagram, mentioned ‘no fussy buyer’, it is 100% fake! Secondly, look at the pricing. If they sell Tom Ford private blend below 900, it is fake. Next, if they sell in combo like buy 2 free 1 or buy 2 for rm299/rm399, it can be considered as fake too.” (Participant 5)

“... the seller will show the serials number. So, we can check if the perfume is original or not.” (Participant 1)

Meanwhile, for the experience-based trust, past experience also plays a role in affecting consumer trust to purchase luxury perfume online. For instance, the participants mentioned,

“.. Also from my own experience.” (Participant 1)

“...Also, try to compare the perfume you bought online with the physical store perfumes. If they smell the same, then it should be fine. However, if it smells different, then it could be fake.” (Participant 5)

The second theme extracted from the analysis is the criteria of reputable or trusted online sellers. The participants had described “reputable seller” as follows:

“...For me, if you got to sell something, you must learn, understand, equip yourself with necessary information about the thing you are selling.” (Participant 4)

“In my opinion the seller needs to have broad knowledges about perfumes. Especially in explaining the notes and performance of the perfumes.” (Participant 5)

From these quotes, the theme that can be synthesized is the characteristic of online seller. The participants mentioned “knowledgeable” as one of the criteria of trusted seller. This characteristic falls under the category of competency which is defined as the company’s ability to fulfil promises made to the customers (Chen and Dhillon 2003). According to the participants, online luxury perfume sellers must have broad knowledge to educate the consumers on the product that they are selling. This plays an important role in influencing consumer trust in them and consequently will affect the consumer purchase decision.

The second category identified in the theme of characteristic of reputable seller is benevolence where providing a platform that enable a seller to engage with consumers can also help to build rapport and enhance trust. According to Chen and Dhillon (2003), benevolence is company ability to demonstrate sincere concern for customer welfare. This particular conclusion can further be verified by the statements from participants as follows:

“She also provides Telegram Channel. From that I feel more trust in her.” (Participant 1)

“Reputable seller/ reseller with good ratings/ follower base and their mark-up (pricing).” (Participant 2)

“But like I said, great engagement on their socials and good standing follower base is definitely the helps with my buying decision.” (Participant 2)

Another factor which falls under the benevolence category is having great customer service. For instance, the participants described the criteria of reputable sellers as follow:

“... and in any case any other problem arises, I believe they will assist the best they can because they are well-experienced. Their packaging/wrapping is also “generous” to best protect the perfume.” (Participant 4)

“... and the efforts they took to promote their products, their track record and the way they solved arising problems (if any)” (Participant 4)

The third category identified in the theme of characteristic of reputable seller is integrity which according to Chen and Dhillon (2003) implies the consistency, reliability and honesty of the company. Integrity in the context of this study is explained through the act of offering 100% money back guarantee as a proof of product authenticity. In other words, the seller offers to refund full payment to the buyer in case the product sold is identified as a fake product. The relevant excerpts are:

“I choose to buy from them as it is 100% authentic, easy to deal and easy to pay.” (Participant 5)

“... A reputable seller usually provides money back guarantee if the perfume [is] somehow found to be a fake one...” (Participant 4)

“...Second, try to convince buyer with 100% moneyback-guarantee if found fake.” (Participant 5)

Table 3 summarizes the findings from this study.

TABLE 3
Analysis of Factors Influencing Young Consumer Trust for Online Purchase of Luxury Perfume in Malaysia

Theme	Categories	Factors
Young Consumer Trust in Online Sellers	Affect-based trust	Seller’s Reputation, Customer feedback, and Recommendations from experts.
	Cognitive-based trust	Proof of product authenticity (Pricing, Information Quality, Packaging/Label)
	Experience-based trust	Past purchase

TABLE 3 (continued)

Theme	Categories	Factors
Criteria of Reputable Sellers	Competence	Knowledgeable and can educate consumers, Can provide high quality information.
	Benevolence	Great customer service, Good follower-base, Great social media engagement.
	Integrity	Transparency in transaction, Offers 100% money back guarantee.

5. DISCUSSION

Two main themes discovered in this study are consumer trust in online sellers and the criteria of reputable sellers. Trust is defined as a party's confidence to conduct an exchange with another party who is perceived to be reliable and honest (Mayer, Davis and Schoorman, 1995; Morgan and Hunt, 1994; Moorman, Deshpande and Zaltman, 1993; Rousseau, 1938). A more recent definition by Chetioui, Lebdaoui and Chetioui (2020) stated that trust is an individual's belief in the trustworthiness of others, which can be determined by their perceived honesty, compassion, and expertise (Lin, 2011; Faqih, 2011). Meanwhile, according to Raman (2019), in the online shopping context, trust is defined as the faith the customer has in the online vendor; that he/she will deal in a fair manner (Carter et al., 2014). In the first theme, there are three categories of consumer trust identified which are cognitive, affective and experience-based trust. These categories were earlier introduced in a study by Kim et al. (2008).

In this research, the main factors contributing to consumer trust belong to affect-based trust which consists of reputation of seller, customer feedback and recommendation from experts. The findings are in line with the social commerce buying behavior model (Strauss and Frost 2014) specifically the theory of affinity and authority. The affinity theory reveals that consumers are persuaded by those they like and trust such as family and friends. On the other hand, authority theory introduces the influence of experts or famous people with high authority/influence on consumer purchase decisions. In this study, the participants revealed that testimonials from other consumers, recommendation from their friends and family as well as recommendation from experts in the field of

perfume which are also known as ‘Fragheads’ are among the factors influencing their trust in online sellers and consequently affect their purchase decision. These findings align with a study conducted by Sanyal, Hisam and Baawain (2021) who mentioned that through the internet, a great number of unknown customers are linked with each other, and this facilitates online buyers to predict seller trustworthiness through suggestions derived from feedback.

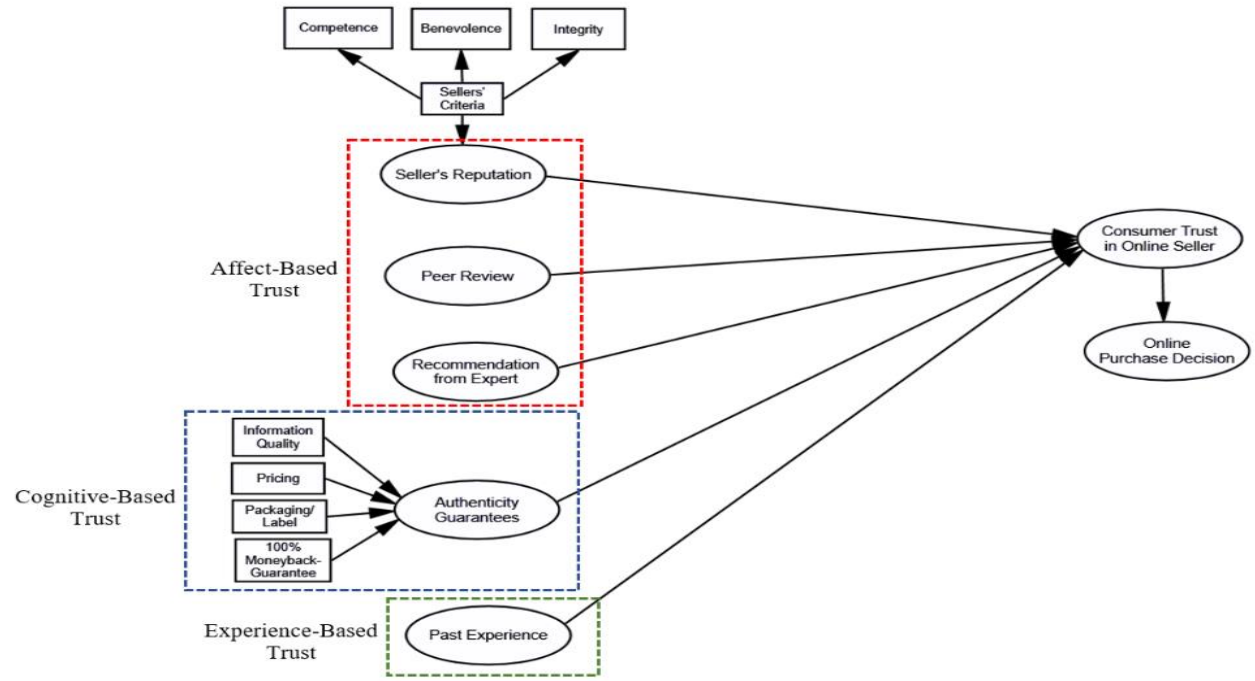
The second category is cognitive-based trust where information quality, pricing and label/packaging acts as proof of product authenticity which can influence consumer trust in making online purchase decision. In this study, the participants shared several ways to check whether the products are authentic or fake. The first thing that they look for is the pricing of the product listings. A product that is “too cheap” as compared to the market price (as in boutique price) or products that are sold in ‘combo price’ can be “too good to be true”. This finding is supported by the argument from past researchers which stated that consumers frequently used price as a tool for assessing quality as a higher price indicates a higher level of quality (Cheah et al., 2020; Narwal and Nayak, 2020; Oghazi et al., 2018; Sanyal, Datta and Banerjee 2014; Kapferer, 1998; Erickson and Johansson, 1985).

Moreover, the participants also mentioned about the packaging/label and serial number which can also be a proof of product authenticity. They also shared that from their experience, reputable online luxury perfume sellers normally offer 100% money back guarantee as a proof of their product authenticity. In other words, if the perfume that they sell is found to be fake, the customers can claim for 100% refund by returning the product. This guarantee can give assurance to customers, and it will definitely enhance their trust in online sellers. The findings are in line with the view from past researchers which mentioned money back guarantee (MBG) as a popular consumer returns policy because it allows the customer to return a purchased product for a full refund (Li et al., 2021; McWilliams, 2012; Davis, Gerstner, and Hagerty, 1995). Evidence from past studies suggest that money-back guarantees can help to reduce consumer perceived risk, instil positive emotional responses that encourage consumers to be willing to pay a premium price and encourage purchase intention (Ashfaq et al. 2018; Oghazi et al., 2018; Suwelack, Hogleve and Hoyerc, 2011; Wood, 2001; Mitchell, 1999). Meanwhile, the third category is experience-based trust where consumers’ past experience plays a contributing role in influencing consumer trust and purchase decision.

Next, based on the interview data analysis, several attributes of reputable seller can be grouped into three categories based on earlier study by Chen and Dhillon (2003). The three types are competence, benevolence and integrity. Among the criteria that show competency of a reputable seller are product knowledge and information quality. Almost all participants in the study mentioned that a seller must be knowledgeable in luxury perfume for them to have more trust in the seller. They also mentioned that the quality of information provided by the seller also influence their judgement and purchase decision of luxury perfume online. The second category which is benevolence pertains to how the sellers engage with the consumers. In this study, the participants revealed that they have more trust in sellers that have good rating/follower-base, great engagement with the consumers in social media and also provide the best customer service. In other words, if online sellers want consumers to have more trust in them, they need to pay more attention to customer relationship management (CRM). The last category is integrity where transparency and reliability of the online transaction system used by the online sellers also play a key role in shaping consumer trust. This can be a determining factor for consumers whether to proceed in doing the transaction with the seller or to switch to the competitors.

Based on the qualitative findings from this study, a preliminary model that can serve as a basis for future studies to investigate the factors influencing young consumer trust to purchase luxury perfume online was developed. The model is depicted in Figure 1.

FIGURE 1
A Model of Consumer Trust in Online Purchase of Luxury Perfume in Malaysia



6. CONCLUSION AND RECOMMENDATIONS

In the online shopping context, trust is an important predictor of an individual's attitude and purchase intention (Ashraf, Thongpapanl and Auh, 2014; Hsu, Chuan-Chuan and Chiang, 2013; Lin, 2011; Hassanein and Head, 2007). Trust is also an important factor in gaining customers' acceptance and motivating them to complete the transaction (Hidayat et al., 2021). Consumers frequently abandon their shopping carts and withdraw their purchase intent during e-transactions due to a lack of trust (Sullivan and Kim, 2018). As a result, trust is essential for successful e-commerce, and marketers must understand how to gain consumer trust and how it affects their behavioral intentions in order to create a successful e-commerce marketing strategy (Steyn and Mawela, 2016; Fang et al., 2014; Kim et al., 2008; Bart et al., 2005). Besides, due to the expensive nature of luxury products, consumers need to weigh in many factors in order to avoid the risks in online shopping. The participants in this study revealed several risks involved in buying luxury perfume online, for instance, product risks that include fake product, poor product quality and the fragrance of the perfume not matching their preference. They also face risk of losing their money if their package gets missing during the delivery process, their product is damaged due to mishandling during delivery or if they get cheated by the dishonest seller. Among other risks involved are having to pay extra charge for packaging/shipping, late delivery and bad customer service. Thus, consumers face a hard time in making online purchase decision of luxury perfume. Finding out the factors that can increase their trust to purchase luxury perfume online can be beneficial for future consumers, marketers and even policy makers. The findings from this study can serve as a guideline for potential consumers in making a good purchase decision in order to avoid being scammed by the irresponsible online sellers while marketers can benefit from this study by considering the factors that will increase consumer trust in them. In addition, policy makers or regulatory bodies can also make use of this study to revise the policy that will regulate and protect consumer rights in Malaysia.

This study has added to the body of knowledge by providing qualitative findings and a preliminary model that can serve as a basis to explain young consumer trust in online purchase decision of luxury perfume. The findings from this study reveal a few common factors considered by young consumers in Malaysia in purchasing luxury perfume online namely, reputation of online seller, reviews

from other consumers, recommendation from experts, proofs of product authenticity and past experience. Besides, the study also reveals the criteria of reputable or trusted online sellers through three dimension which are competence, benevolence and integrity. Among the criteria that show competency of a reputable seller are product knowledge and information quality. A seller must be knowledgeable in luxury perfume for them to have more trust in the seller. Next, sellers must have benevolence. In other words, sellers that have good rating/follower-base, great engagement with the consumers in social media and provide the best customer service are deemed more trustworthy by the consumers. Furthermore, sellers must have integrity by being transparent and have a reliable online transaction system. This can be a determining factor for consumers whether to proceed in doing the transaction with the seller or to switch to the competitors. Participants also shared that from their experience, reputable online luxury perfume sellers normally offer 100% money back guarantee as a proof of their product authenticity. In other words, if the perfume that they sell is found to be fake, the customers can claim for 100% refund by returning the product. This guarantee can give assurance to customers, and it will definitely enhance their trust in online sellers.

In addition, the participants shared a few tips for future consumers who want to purchase luxury perfume online in order to minimize the risks in online shopping. Among them the notable advice is to do information search on product (notes of perfume) and on the platform/seller. Consumers need to find reputable sellers and ensure that the seller is legitimate and sells only authentic products. They can refer to reviews from other consumers, watch reviews from perfume gurus on YouTube and ask someone they trust that are knowledgeable about fragrances. Among the tips to find out if the seller is trustworthy or the products sold are authentic is by looking at the pricing. A product that is “too cheap” as compared to the market price (as in boutique price) or products sold in ‘combo price’ can be “too good to be true”. Finally, the participants also advise potential consumers to not blind-buy and try out the sample of the perfume first before buying the full bottle. This can be done by buying perfume samples that can be found in the form of vial or decant to test if the perfume matches their preference before committing to buy the full bottle. This suggestion can help future consumers from having a failed blind buy and wasting their money.

Overall, this study has revealed important factors that influence young consumer trust in purchasing luxury perfume online

namely, reputation of sellers, peer customer reviews, recommendation from experts, proofs of product authenticity and past experience. The criteria of reputable sellers had also been discussed in depth based on the findings. This research has provided invaluable insights for marketers especially those in luxury perfume industry in Malaysia to devise effective marketing strategy that will increase consumer trust. This study also provides insights from the consumers on the risks they faced in online shopping and their advice for potential consumers to make a better purchase decision. This study will contribute to implementation of Sustainable Development Goals (SDG) item 12 which is concerned about responsible consumption and production. Policy makers or regulatory bodies can make use of the findings from this study to revise policies regulating consumer rights in Malaysia. From the Islamic viewpoint, this study is in line with one of the Maqasid Al-Shariah which is the protection of wealth.

Since this study is a preliminary study, future researchers can consider replicating this study in a larger scale. Future researchers can also conduct this research in other countries to see whether the behavior of luxury perfume consumers with regard to online purchase of luxury perfume is the same worldwide. This study can also be adapted for different luxury product markets such as fashion and jewellery. A different approach such as quantitative or mixed method study can also be conducted to research the same topic.

REFERENCES

- Absolute Reports. 10 2 2022. <https://www.globenewswire.com/news-release/2022/02/10/2382477/0/en/Global-Perfume-and-Fragrances-Market-to-Grow-at-8-3-by-2028-Types-Application-Development-Global-Share-Revenue-Research-by-Absolute-Reports.html>
- Ang, May Vin. *An Instafamous Seller's Apartment Was Raided for Allegedly Selling Fake Branded Perfume*. 21 October 2020. <https://says.com/my/news/kpdnhep-raids-instagram-seller-s-apartment-for-selling-fake-branded-perfume>.
- Ariffin, S.K., T. Mohan, and Y-N. Goh. "Influence of Consumers' Perceived Risk on Consumers' Online Purchase Intention." *Journal of Research in Interactive Marketing* 12, no. 3 (2018): 309-27.
- Ashfaq, M., J. Yun, A. Waheed, and A.Z. Abassi. "Buying Luxury Brands Online: The Effect of Money-Back Guarantee on

- Perceived Risk and Purchase Intention.” *International Journal of Marketing, Communication and New Media* Special Issue no. 4 (2018): 102-21.
- Ashraf, A.R., N. Thongpapanl, and S. Auh. “The Application of the Technology Acceptance Model under Different Cultural Contexts: The Case of Online Shopping Adoption.” *Journal of International Marketing* 22, no. 3 (2014): 68-93.
- Bart, Y., V. Shankar, F. Sultan, and G.L. Urban. “Are the Drivers and Role of Online Trust the Same for All Web Sites and Consumers? A Large-Scale Exploratory Empirical Study.” *Journal of Marketing* 69 (2005): 133-52.
- Bernama. Counterfeit Perfume Worth RM1.7Million Seized, Two Arrested. *New Straits Times*. 12 December 2020.<https://www.nst.com.my/news/nation/2020/12/648904/counterfeit-perfume-worth-rm17-million-seized-two-arrested>
- Brooke, Eliza. *Celebrity Fragrances May Be Tanking, but Niche and Designer Perfumes are on the Up*. 6 December 2017. <https://fashionista.com/2015/02/holiday-fragrance-sales>
- Canadean. *The Future of the Fragrances Market in Malaysia to 2017*. Canadean (2014). <https://dokumen.tips/documents/the-future-of-the-fragrances-market-in-malaysia-to-2017-1-the-future-of-the-fragrances.html?page=12>
- Carter, M., R. Wright, J.B. Thatcher, and R. Klein. “Understanding Online Customers' Ties to Merchants: The Moderating Influence of Trust on the Relationship between Switching Costs And E-Loyalty.” *European Journal of Information Systems* 23, no. 2 (2014): 185-204.
- Cheah, J-H., D. Waller, P. Thaichon, H. Ting, and X-J. Lim. “Price Image and the Sugrophobia Effect on Luxury Retail Purchase Intention.” *Journal of Retailing and Consumer Services* 57 (2020): 1-12.
- Chen, S.C., and G.S. Dhillon. “Interpreting Dimensions of Consumer Trust in E-Commerce.” *Information Technology and Management* 4 (2003): 303-18.
- Chetioui, Y., H. Lebdaoui, and H. Chetioui. “Factors Influencing Consumer Attitudes toward Online Shopping: The Mediating Effect of Trust.” *EuroMed Journal of Business* 16, no. 4 (2020): 544-63.
- Dabholkar, P.A., W.M. van Dolen, and K. de Ruyter. “A Dual-Sequence Framework for B2C Relationship Formation: Moderating Effects of Employee Communication Style in

- Online Group Chat.” *Psychology & Marketing* 26, no. 2 (2009): 145-74.
- Davis, S., E. Gerstner, and M. Hagerty. “Money Back Guarantees in Retailing: Matching Products to Consumer Tastes.” *Journal of Retailing* 71, no. 1 (1995): 7-22.
- Erickson, G.M., and J.K. Johansson. “The Role of Price in Multi-Attribute Product Evaluations.” *Journal of Consumer Research* 12, no. 2 (1985): 195-99.
- Falahat, M., Y-Y. Lee, Y-C. Foo, and C-E. Chia. “A Model for Consumer Trust in E-Commerce.” *Asian Academy of Management Journal* (2019): 93-109.
- Fang, Y., I. Qureshi, H. Sun, P. McCole, E. Ramsey, and K.H. Lim. “Trust, Satisfaction, and Online Repurchase Intention.” *MIS Quarterly* 38, no. 2 (2014): 407-28.
- Faqih, K.M. “Integrating Perceived Risk and Trust with Technology Acceptance Model: An Empirical Assessment of Customers' Acceptance of Online Shopping in Jordan.” *International Conference on Research and Innovation in Information Systems*. IEEE (2011): 1-5.
- Ha, H.Y., J. John, J.D. John, and Y.K. Chung. “Temporal Effects of Information from Social Networks on Online Behavior: The Role of Cognitive and Affective Trust.” *Internet Research* 26, no. 1 (2016): 213-35.
- Hassanein, K., and M. Head. “Manipulating Perceived Social Presence through the Web Interface and its Impact on Attitude Towards Online Shopping.” *International Journal of Human-Computer Studies* 65, no. 8 (2007): 689-708.
- Hidayat, A., T. Wijaya, A. Ishak, and P.E. Catyanadika. “Consumer Trust as the Antecedent of Online Consumer.” *Information* (2021): 1-10.
- Hin, Jackson. *Designer vs. Niche Fragrances*. 26 March 2021. <https://scntsoln.com/designer-vs-niche-fragrances/>.
- Hsu, C.L., J.C.C. Lin, and H.S. Chiang. “The Effects of Blogger Recommendations on Customers' Online Shopping Intentions.” *Internet Research* 23, no. 1 (2013): 69-88.
- Jiang, Z., Chan, J., Tan, B.C.Y., and Chua, W.S. “Effects of Interactivity on Website Involvement and Purchase Intention.” *Journal of the Association for Information Systems* 11, no. 1 (2010): 34-59.
- Johnson, D., and K. Grayson. “Cognitive and Affective Trust in Service Relationships.” *Journal of Business Research* 58, no. 4 (2005): 500-7.

- Kapferer, J-N. "Why are we Seduced by Luxury Brands?" *Journal of Brand Management* 6, no. 1 (1998): 44-9.
- Kim, D.J, D.L. Ferrin, and H.R. Rao. "A Trust-Based Consumer Decision-Making Model in Electronic Commerce: The Role of Trust, Perceived Risk, and Their Antecedents." *Decision support systems* 44, no. 2 (2008): 544-64.
- Kotler, Philip. *Marketing Management*. New Jersey: Prentice Hall, 2000.
- Kumar, A., and A.K. Kashyap. "Leveraging Utilitarian Perspective of Online Shopping to Motivate Online Shoppers." *International Journal of Retail and Distribution Management* 46, no. 3 (2018): 247-63.
- Lee, H-H., and H. Moon. "Perceived Risk of Online Apparel Mass Customization: Scale Development and Validation." *Clothing and Textiles Research Journal* 33, no. 2 (2015): 115-28.
- Lim, A. *Janio*. 6 March 2020. <https://janio.asia/tw/articles/malaysia-fragrances-ecommerce-market-trends>.
- Lin, H.F. "An Empirical Investigation of Mobile Banking Adoption: The Effect of Innovation Attributes and Knowledge-Based Trust." *International Journal of Information Management* 31, no. 3 (2011): 252-60.
- Mayer, R.C., J.H. Davis, and F.D. Schoorman. "An Integrative Model of Organizational Trust." *Academy of Management Review* 20, no. 3 (1995): 709-34.
- McAllister, D.J. "Affect-and Cognition-Based Trust as Foundations for Interpersonal Co-Operation in Organizations." *Academy of Management Journal* 38, no. 1 (1995): 24-59.
- McWilliams, B. "Money-back Guarantees: Helping the Low-quality Retailer." *Management Science* 58, no. 8 (2012): 1521-524.
- Mican, D., and D-A. Sitar-Taut. "Analysis of the Factors Impacting the Online Shopping Decision-Making Process." *Studia Universitatis Babeş-Bolyai of Economica* (2020): 54-66.
- Mitchell, V-W. "Consumer Perceived Risk: Conceptualisations and Models." *European Journal of Marketing* 33, no. 1/2 (1999): 163-95.
- Moorman, C., R. Deshpandé, and G. Zaltman. "Factors Affecting Trust in Market Research Relationships." *Journal of Marketing* 57, no. 1 (1993): 81-101.
- Mordor Intelligence. 2020. *Fragrances and Perfumes Market - Growth, Trends, Covid-19 Impact, and Forecasts*.

- <https://www.mordorintelligence.com/industry-reports/fragrance-and-perfume-market>.
- Morgan, R.M., and S.D. Hunt. "The Commitment-Trust Theory of Relationship Marketing." *Journal of Marketing* 58, no. 3 (1994): 20-38.
- Morrow Jr, J.L., M.H. Hansen, and A.W. Pearson. "The Cognitive and Affective Antecedents of General Trust Within Cooperative Organizations." *Journal of Managerial Issues* 16, no. 1 (2004): 48-64.
- Narwal, P., and J.K. Nayak. "How Consumers Form Product Quality Perceptions in Absence of Fixed Posted Prices: Interaction of Product Cues with Seller Reputation and Third-Party Reviews." *Journal of Retailing and Consumer Services* 52 (2020): 101924.
- Nghia, H.T., S.O. Olsen, and N.T.M. Trang. "Shopping Value, Trust, and Online Shopping Well-Being: A Duality Approach." *Marketing Intelligence & Planning* 38, no. 5 (2020): 545-58.
- Oghazi, P., S. Karlsson, D. Hellström, and K. Hjort. "Online Purchase Return Policy Leniency and Purchase Decision: Mediating Role of Consumer Trust." *Journal of Retailing and Consumer Services* 41 (2018): 190-200.
- Punyatoya, Plavini. "Effects of Cognitive and Affective Trust on Online Customer Behavior." *Marketing Intelligence and Planning* 37 no 1 (2019): 80-96.
- . "Factors Affecting Trust Towards Online Retailers in India: An Empirical Study." *Int. J. Business Innovation and Research* 17, no. 3 (2018): 342-60.
- Raman, P. "Understanding Female Consumers' Intention to Shop Online: The Role of Trust, Convenience and Customer Service." *Asia Pacific Journal of Marketing and Logistics* 31, no. 4 (2019): 1138-160.
- Rehmana, S.U., T. Bano, and A. Bhatti. "Factors Influencing Online Purchase Intention with the Mediating Role of Customer Satisfaction." *International Journal of Economics, Management and Accounting* 27, no. 1 (2019): 235-52.
- Rousseau, M. "APAM and Workers Education." *Espirit (1932-1939)* 7, no. 74 (1938): 257-66.
- Sanyal, S., M.W. Hisam, and A.M.S. Baawain. "The impact of individual and technological factors on online customer satisfaction and repurchase intention: The moderating role of EWOM and personality." *International Journal of*

- Economics, Management and Accounting* 29, no. 1 (2021): 23-44.
- Sanyal, S.N., S.K. Datta, and A.2K. Banerjee. "Attitude of Indian Consumers towards Luxury Brand Purchase: An Application of Attitude Scale to Luxury Items." *International Journal of Indian Culture and Business Management* 9, no. 3 (2014): 316-39.
- Sinks, Tynan. *Say What You Want About Them, But Celebrity Fragrances Are So Important to the Perfume World*. 3 October 2017. <https://www.allure.com/story/why-celebrity-fragrances-are-just-as-good-as-luxury-perfumes>.
- Statista. 2023. <https://www.statista.com/outlook/cmo/beauty-personal-care/fragrances/malaysia>
- Steyn, L.J., and T. Mawela. "A Trust-based e-Commerce Decision-making Model for South African Citizens." *Proceedings of the Annual Conference of the South African Institute of Computer Scientists and Information Technologists* (2016): 1-9.
- Strauss, Judy, and Raymond Frost. *E-Marketing*. 7. Pearson, New Jersey, 2014.
- Sullivan, Y.W., and D.J. Kim. "Assessing the Effects of Consumers' Product Evaluations and Trust on Repurchase Intention in E-Commerce Environments." *International Journal of Information Management* 39 (2018): 199-219.
- Suwelack, T., J. Hogreve, and W.D. Hoyerc. "Understanding Money-Back Guarantees: Cognitive, Affective, and Behavioral Outcomes." *Journal of Retailing* 87, no. 4 (2011): 462-78.
- Wang, Liang, R. Law, B. D. Guillet, K. Hung, and D. Fong. "Impact of Hotel Website Quality on Online Booking Intentions: E Trust as a Mediator." *International Journal of Hospitality Management* 47 (2015): 108-15.
- Wood, Stacy L. "Remote Purchase Environments: The Influence of Return Policy Leniency on Two-Stage Decision Processes." *Journal of Marketing Research* 38, no. 2 (2001): 157-69.
- Wu, Meng-Shan, Cheng-Hao Chen, and Isabella Chaney. "Luxury Brands in the Digital Age—the Trust Factor." In *Luxury Marketing*, edited by Klaus Peter Wiedmann and Nadine Hennigs, 217-219. Gabler Verlag, Wiesbaden, 2013.
- Yew J.L.K., and Y. Kamarulzaman. "Effects of Personal Factors. Perceived Benefits and Shopping Orientation on Online

- Shopping Behavior in Malaysia.” *International Journal of Economics, Management and Accounting* (2020): 327-60.
- Yu, S., L. Hudders, and V. Cauberghe. “Selling Luxury Products Online: The Effect of a Quality Label on Risk Perception, Purchase Intention and Attitude Toward the Brand.” *Journal of Electronic Commerce Research* 19, no. 1 (2018): 16-35.