

## Factor Influencing the Purchase Intension of Consumer While Purchasing Second-Hand Products in Pakistan

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### Abstract

From the birth of Human beings they are consuming products for satisfying their needs. Now days, rapid consumption of secondhand product is due to increase in population. Our research aim is to determine the effect of brand, price, risk and seller location on consumer purchase intension while purchasing secondhand products. 200 close ended questionnaire were distributed among the people and 186 received back. By using SPSS linear regression equation applied on data to check the impact of independent variables brand, price, risk and seller location on dependent variable consumer purchase intension. Results shows that brand and price have positive impact on consumer purchase intension while purchasing secondhand products. Marketers can utilize the findings of this research and can shape consumer purchase intension for second-hand products.

**Keywords:** Second hand products; Risk; Prise; Bran; Seller location

### Introduction

The phenomenon of selling and buying product is as old as the human is and the second-hand product as well. The second-hand products are defined as the products which are no longer are in same condition but they can perform all function which a new product can. Due to recession in economies of many European countries results the consumer attraction toward second-hand products in Italy majority of peoples are moving toward the second-hand products in street markets majority of people exchange used cloths, similarly in France the sale of second-hand products increase dramatically, in Sweden people are rich but they used second-hand product very interestingly.

Pakistan is a developing countries majority of people are under the poverty line. Majority of peoples are using secondhand product to fulfil their needs. Pakistan imports clothes, shoes, toys and kitchenware's from USA, Canada, New Zealand, Australia, and Europe and from Middle East government of Pakistan also take tax at per kg rate of these second-hand products. Many people in Pakistan become permanent merchant for import of second-hand products. In Pakistan second-hand clothes import as 'worn clothing' the import of according to the Pakistan Bureau of Statistics (PBS) in 2014-15 the import was \$101.6 million and 375,485 tons and become \$147million and 369,957 in the same fiscal year. Import of used clothing went up to 457,600 tons (\$182.2m) in 2013-14 as compared to 375,485 tons (\$146m) in 2012-13.

In this research our main motive is to determines the factors that influence the consumer purchase intensions while purchasing second-hand products in Pakistan, Price, quality and brand are the factors that remind the consumer about the product which he has to buy [1]. According to category the factor become different like, when consumer go for purchasing mobile phone, price and quality become important factor [2] and when automobiles he consider the price.

The brand has a strong positive impact on consumer purchase intension when they buy any product [3]. The brand image have an impressive image on consumer, consumer prefer mostly branded products.

Price is the second effect factor which influences the consumer purchase intensions. Companies use special discounts in price for attracting the consumers, rational consumer considered the price is an

important factor in Pakistan prise is important for consumer. People search alternatives of highly prise brand.

Risk is the third factor which influences the consumer especially in second hand products. Consumer does not get the warranty and not sure about the working condition of the product as well. Now days in Pakistan consumer feel more secure to purchase from physical stores as compare to the online shopping. Different types of the risk are perceived by consumer when they buy a product.

The fourth factor is the seller location. Seller location is very considerable in consumer mind when he decided to buy something.in Pakistan sellers are mostly in physical store. Now days an online trend of selling is also increasing.

### Literature Review

Second hand products are the products that available for use but not in there new form its already used by someone. Due to rapid growth of population increase the demand of second hand product in Europe. Second hand product have the same function as new product have but its already used by someone else. Pakistan is a developing country and has large population and the majority people belong to middle class. People meet their needs by using second hand products. However majority of people while purchasing second hand products have many treats like warranty, quality and condition of product as compare to new product. Consumption of second hand products are consumed by the lower social class in different product categories. Now days the awareness of second hand product use is expanded through the social networking media. Olx now a day's a very much known media in Pakistan for sale purchase of second hand products. Many

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physical stores are in Pakistan which is selling second hand products like furniture, electronics, automobiles, cloths and children toys. Second hand clothes are imported in large quantity in Pakistan from European countries as well as on charity basis also.

Which are the factors that influence the purchase intension of consumer of second hand products in Pakistan.in this study we examine the effect of brand, prise, risk and seller location on consumer purchase intension when he purchase a second hand product.

Brand is the logo symbol or character which makes the product distinguishable among the other products. [3]. The companies having good brand repute are more attractive for customer. Famous brands are most attractive for the consumer as compare to other one. Brand is an important factor that affects the consumer purchase intension while purchasing mobile [2].

Strong Brand image and brand awareness are the symbolic factors which have effect on consumer decision. Brand prestige is factor have impressive image in customer mind while purchasing, brand prestige is result from the consumer repurchase behavior and their preferences toward the brand.

People are considering the brand as a symbol of quality the good reputation and image leads toward that product have best quality. Consumer trust and satisfaction leads the consumer to buy the brand again. Brand image is strong instrument to attract the consumer and for making them loyal.

Now-a-days brand importance in mind of consumer while making decision is the most important factor of study. The consumer who are brand loyal they only consider the name of brand while purchasing, consumer some attached with the brands emotionally they feel themselves in the brand. Dos Equis make there sale doubled due to introducing a personality trait in brand to attract the emotional consumer. People used brand for their self-satisfaction, they actually define their personality through brand. Liking to a brand results in consumer purchase intension. Brand play a vital role in consumer decision making and there purchase intensions. While in the reference of the second hand product how it will affect the purchase intension of the consumer it is our study question.

**H1:** brand has a positive impact on consumer purchase intension while purchasing second hand product.

Price play a vital role in consumer purchase intension, it is one of the important factor that considered most before making purchase decision. Price is the actually value in monetary form for product or service which consumer have to pay. Prise is some of money which customer have to paid against the product for getting there ownership. Majority of people consider the prise as the instrument for measuring the quality of product [4]. Prise is combination of cost of product and the profit of manufacturer of that product [4]. Consumer relates the prise with the benefits or satisfaction which he gains from the product [5].

Pakistan is a developing country the people considered the prise most important factor while purchasing goods. High price usually make many consumer disable to buy products in Pakistan, people have intensions to buy product but they postpone their decision due to high price. Consumer access benefits and the satisfaction against the prise which they are paying for products [6].

Prise effect on consumer re purchase behavior, and make consumer loyal to brand. Majority of consumer want the product with low prise and high quality. Sometimes the local brand offer low prise and become

the substitute over the high price brands for consumer. The above literature shows the influence of prise for new product. We develop hypothesis from above literature.

**H2:** Price has positive impact on consumer purchase intension while purchasing secondhand product in Pakistan.

Risk is involved in every aspect of life, while purchasing a product risk are involve. Consumer worried about the performance, durability, warranty etc., many types of risk are involved while purchasing products like perceived, which consumer have in their mind. Perceived risk is the risk which consumer perceived either its exist or not the perceived risk may be turn actual after use of product.

The difference between the product actual performance and consumer expectation may be turn to risk.

Risk cannot eliminate from any purchase but can reduce at high level companies have established separate risk management departments for reducing the risk from their products.

The purchase intensions of consumer are sometimes changing due to the medium of shopping due to online shopping risk customer reluctant to purchase online. Consumer feels more risk in online shopping as compare to traditional store of shopping. Risk can be from consumer end also, it may be poor diction or wrong decision or confusion also leads toward the wrong decision. Product risk refers toward the performance of the product, difference in the actual performance of product and the perceived value of consumer [7].

Financial risks are also involved in purchase, when consumer pay more prise. While online shopping consumer become disable to compare the prizes of the products, a high level of risk credit card fraud is involved in online shopping.

The above literature explain the risk impact on new product it identify a gap, what will be effect of risk on secondhand product. Our third hypothesis is supported by the above literature.

**H3:** Risk has positive impact on consumer purchase intension while purchasing secondhand product in Pakistan.

A place from where consumer can buy products. Store or website environment have an impressive effect on the consumer mind hence the utility of product is same either bought from online or physical store. Majority of consumer perceived more risk in online shopping as compare to physical stores and needs more information and verity as compare to regular consumer [8].

Now this is era of technology advancement. Consumer wants to save time and need everything at doorstep. Websites are the main source of interaction of the consumer in online shopping [9] websites are the source to attract the consumer for shopping consumer purchase intension enhance by the website environment.

In physical store people feel more secure and have less risk. The environment of physical stores are most important factor for consumer purchase intension, consumer attract and rely more on physical store [10]. From the above literature we derive the following hypothesis.

**H: 4** seller locations have positive impact on consumer purchase intension while purchasing second hand products.

Purchase intension is a future plane on individual to purchase products or services. Purchase intension leads a consumer toward the purchase decision. When consumer has a positive awareness regarding a product he intends to buy it.

## Conceptual Model

Figure 1 shows the Conceptual model.

## Objectives

The main objective is to determine the following points:

- 1) Factor affecting the consumer purchase intensions while purchasing second hand products.
- 2) Influence of brand on consumer purchase intension while purchasing second hand product.
- 3) Influence of prise on consumer purchase intension while purchasing second hand product.
- 4) Influence of risk on consumer purchase intension while purchasing second hand product.
- 5) Influence of seller location on consumer purchase intension while purchasing second hand product.

## Methodology

For investigating the effect of brand, price, risk and seller location on

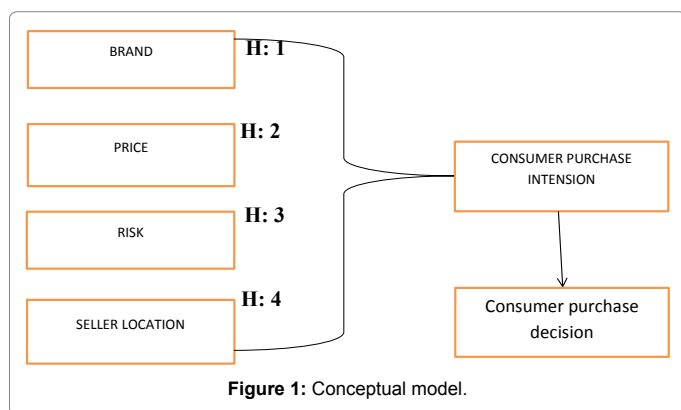


Figure 1: Conceptual model.

Variables	No of items	Reliability
Brand	1-3	0.881
Prise	4-7	0.798
Risk	8-12	0.736
Seller location	13-16	0.911
Purchase intension	17-18	0.716

Table 1: Reliability statistic table.

Model Summary <sup>b</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	Durbin-Watson
					Sig. F Change	
1	.546 <sup>a</sup>	.361	.340	.67172	.023	2.107
a. Predictors: (Constant), location, prise, risk, brand						
b. Dependent Variable: purchase intension						

Table 2: Impact of variables.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.614	4	.403	2.920	.023 <sup>b</sup>
	Residual	25.010	181	.138		
	Total	26.624	185			
a. Dependent Variable: purchase intension						
b. Predictors: (Constant), location, prise, risk, brand						

Table 3: ANOVA<sup>a</sup>.

consumer purchase intension while purchasing second hand product we use quantative research approach. Data collected by closed ended questionnaire. Questionnaire was distributed among 200 respondent and received back 186 questionnaires which were properly filled. The respondent was 69% male and 31% female data were collected from salaried person of different sector and the female were housewife. Regression equation by SPSS was applied to check the impact of brand, price, and risk and seller location on consumer purchase intension while purchasing second hand products in Pakistan. Data reliability test applied on each factor.

## Reliability Test

The following results show the satisfactory reliability value. Cronbach a value should greater than 7

## Reliability statistic table

The reliability is determined by the value of Cronbach a which should be greater than 7 and our above Table 1 shows good reliability of all variables.

## Results of Regression analysis

R square value shows the impact of variables. The above Table 2 summery shows that the impact of brand, prise, and risk and seller location is 36% on the purchase intension of consumer for secondhand product. From this it is concluded that independent variables have 36% influences on dependent variable. The Durbin Watson value should <4, our value is 2.1 which are good and acceptable.

Table 3 is the Anova table which showing the results significance which obtained by regression.

Table 4 is coefficient table which shows the hypothesis rejection or acceptance the significance value should be <0.05. The above table shows that brand and prise have positive impact on consumer purchase intension for second hand products because they have <0.05 sig value. The  $\beta$  value of brand shows that 440 value which means that increase in 1 unit of brand it will increase .440 value of consumer purchase intension for secondhand products. Same like with prise if 1 unit increase in prise that will increase 595 consumer purchase intension for secondhand products. The VIF value of brand and prise is greater than 5 which are good.

## Conclusion

The motive of above study was to check the impact of factors

Coefficients <sup>a</sup>								
Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.454	.214		20.803	.000		
	brand	.173	.078	.440	2.214	.028	.132	7.600
	prise	.261	.087	.595	3.007	.003	.133	7.537
	risk	.003	.038	.006	.089	.930	.969	1.032
	location	-.004	.030	-.010	-.138	.890	.987	1.014

a. Dependent Variable: purchase intension

Table 4: Coefficients<sup>a</sup>.

that influence the purchase intension of consumer when they buy secondhand product in Pakistan. Pakistan is a developing country people have less resources for their needs. Majority of people used secondhand products in Pakistan. Many resources was conducted regarding the new product or firsthand product but the second hand products was neglected so this research was conducted to check the impact of variable that positively affect the consumer purchase intension when buying secondhand products. The above results shows that the factory brand, price, risk and seller location have 36% impact on the consumer purchase intension while they are purchasing secondhand products. The brand and the prise have positive impact on consumer purchase intension while as compare to risk and seller location. The research shows the purchase intension of consumer for second hand product and new product is different. Consumer considers prise and brand more as compare to the risk and location. Locations have negative impact on consumer purchase intensions.

The second hand product in everywhere in the world have value. Now a days due to increase in population of world everywhere the importance of secondhand products become vital. European countries now days are using secondhand product at large extent Developing countries.

### Implication and Limitations

This research is very helpful for the sellers of secondhand products. The growing trend of online shopping is prevailing everywhere; this research is helpful for the social media websites how to attract the middle class for persuading them to day secondhand products. The

store manager of secondhand product can get idea that which factors are more influential on consumer purchase intension.

The research has some limitation there were no product category restriction.

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