

CHAPTER 2

THEORETICAL FOUNDATION

2.1 Literature Review

2.1.1 Consumption and Identity

Consumption has become an important element of our identities because it has such a substantial effect on our daily lives (Carrigan, Moraes, & McEachern, 2013). Aside from using consumption to establish our identities, we also use it to speculate about others' identities. This is because products are always associated with certain meanings or qualities. Eventually, we will assume that the qualities that a product represents are also possessed by the user himself. This also suggests that in some cases, the consumption of a product may also make us feel not confident. Furthermore, our perception of others' identities is determined by what those people consume.

It is now widely deemed as pivotal for the global luxury-fashion industry to carry out their sourcing, production, and distribution of products and services more responsibly in order to assist its transition towards a more responsible future (Laudal, 2010) by focusing on consumers that are increasingly well-informed and aware of social and environmental problems (Bendell & Kleanthous, 2007, p. 1; Reuters, 2009; The Co-operative Bank, 2010). It is also described that a person's self-concept corresponds with luxury goods' role as a representation of wealth, exclusivity, and high-involvement decision making (Vigneron & Johnson, 1999). Aside from that, it is generally viewed that luxury goods are considered as a secondary need; however, it still gives the owner a sense of fulfilment and increased appeal.

In spite of that, there are evidence showing that consumers nowadays are more careful in spending on luxury goods and they would put the needs of others and the environment as their primary consideration instead of prioritizing their flamboyant tendencies (Bellaiche et al., 2010; Bendell & Kleanthous, 2007; Reuters, 2009).

2.1.2 Secondhand Purchase and Buying Behavior

This discussion occasionally deals with the emotions and motivations associated with an expanded collection; thereby overcoming the emotional sensations of acquisition, pleasure and self-expression (McIntosh and Schmeichel, 2004). And focuses more on the meanings that consumers attach to their possessions when using it in their daily life. According to Arnould and Thompson on Consumer Culture Theory, there are two perceptions on trading pre-loved items; the perspective of disposing of possessions and the perspective of obtaining used possessions. Both of these perspectives are related in the consumption cycle, such as disposing may result in obtaining, which keeps the cycle developing (Arnould and Thompson, 2005). Vintage clothing sometimes distinguished from second-hand clothing; for example, Cervellon et al. (2012) has nostalgic attachment seeking motivation to obtain vintage clothing, while obtaining second-hand clothing is characterized by frugality and sustainability (Joung and Park-Poaps, 2013). There are differences and similarities between second-hand, vintage and collector's pieces in Figure 9. Second-hand item is a previously owned and used items whose acquiring is often motivated by lower prices or sustainable lifestyle (Carrigan *et al.*, 2013).

The term vintage refers to the value of goods representing a particular era as museum pieces. Therefore, vintage is conceptualized as authentic and rare items that represent and relate to a particular style of couturier or era (Gerval, 2008). Therefore, the difference between second-hand and vintage is that second-hand have been used previously regardless of the age of the product. Instead, it refers to a previously owned item, but does not have to be used from a particular era. Furthermore, second-hand consumption is conceptually related to collecting behavior. Collecting emphasizes owning and possessing goods considered to hold significant intrinsic and psychological value to the collector (Belk, 1995).

Concept	Definitions and meanings	Prior scholars
Second-hand goods	Previously owned and used item Financial value of the item is lower compared to the new product Price is the main driver to acquire, often related to sustainable consumption behaviors	Guiot and Roux (2010), Carrigan <i>et al.</i> (2013), Joung and Park-Poaps (2013), Cervellon <i>et al.</i> (2012), Roux and Korchia (2006), Denegri-Knott and Molesworth (2009)
Vintage items	Previously owned, but not necessarily used item Represent specific style of couturier or era Value of the item is linked to age of the goods, era and condition	Gerval (2008), Cervellon <i>et al.</i> (2012), Guiot and Roux (2010)
Collector's pieces	Previously owned item that is acquired to own and possess <i>per se</i> , not for item's functional use Intrinsic and psychological value of owning for collector	Belk <i>et al.</i> (1988), Belk (1995), Price <i>et al.</i> (2000)

Figure 9 – The differences and similarities between second-hand, vintage and collector's pieces.

The embarrassment or shame that are frequently associated with the consumption of second-hand items have diminished quite significantly, which contributed to the increase in second-hand consumption in the last 40 years (Guiot and Roux, 2010). These second-hand items are usually cheaper than new goods because they have been used by others before. However, people still look around for these goods because they are most likely not officially sold anymore. In fact, Turunen and Leipämaa-Leskinen (2015) also mentioned that the consumption of second-hand goods is an equivalent of collecting antiquities.

Furthermore, consumers whose primary motivation is to pay less for a product still want to ‘satisfy their needs without sacrificing less important acquisitions’ (Guiout and Roux, 2010), which explains the surge in demand for second-hand products. Additionally, in late 1998, millions of people started to purchase through online shopping for their holiday gifts, which eventually forced retailers to enhance their distribution networks in order to keep up with the new trend. Shopping for second-hand items is growing rapidly and has become a segment of the retail market. Modern retail is characterized by the growth of online shopping from variety of vendors and is increasingly shaped by social and cultural influences. Understanding these determinants can help traditional and alternative for second-hand retailers to tailor their product offerings to consumers. The development of digital and internet technology can be a solution for a variety of human needs, one example of this practical lifestyle application is online shopping. By following the current technological advances, especially in the business world, any goods have the potential to be marketed, including second-hand items that are still feasible to use as an example.

2.1.3 Bandwagon

The Bandwagon Effect is one of the constructive external impacts of a person's that needs to possess a thing because another person or another group likewise has it (Riley). The Bandwagon Effect happens because that it is caused by a person’s view of perception that something will be true. Aside from that, Bandwagon Effect is frequently considered to happen due to popularity as the main trigger.

When people settle on decisions based on the data they get from others, the individual's recognition has changed when the data quickly sets out where and when the individuals chooses to ignore their personal information and takes after the conduct of others. Utilizing this theory, the researcher might want to see and prove that the reality of someone created a Carousell account since it takes what is being done by his or her surroundings.

2.1.4 VALS Framework

The VALS framework is a common approach used for lifestyle research in determining market segmentation. By using this framework, the researcher would like to see which lifestyle is owned by millennials in relation to their pattern of using e-commerce as an online shopping tool.

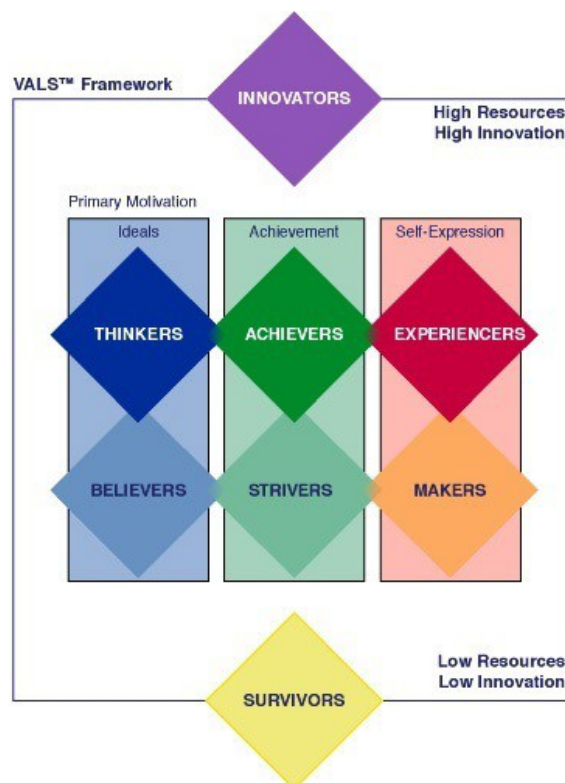


Figure 10 – VALS Framework

- 1) Innovators: Everyone included in this group is a successful, sophisticated, active person, leading others with high confidence and abundant resources. A motivated innovator of ideals, appreciation and self-expression.

Image becomes important for an innovator, as a form of expression of taste, freedom and character. Ownership and joy show a high taste. They are amongst the established and leaders in business and government to continue to grow and seek new challenges. They are also leaders of change and who quickly understand the new products, ideas and technologies.

- 2) Thinkers: Consumers are ideal motivation, have high resources. Thinkers are mature, content, comfortable, reflective people who value command, knowledge and responsibility. They tend to have high levels of education and are actively seeking information in decision-making processes. They love products that are durable, have functionality and value. They are a practical and rational type of consumer.

Always get and follow the information well to expand their knowledge, and tend to spend free time at home, and always open to new ideas and social changes.

- 3) Believers: Consumers are ideal motivation but have low resources. These consumers are conservative, conventional people holding beliefs and beliefs on the basis of traditional and established codes, such as family, church, community and State. Thus, they are slow to change and resist technology. As consumers, they are conservative, predictable, very loyal to a product. They choose products or brands that are known or familiar to them.

- 4) Achievers: Consumer motivation over rewards, high resources. An achiever has a goal-oriented lifestyle that refers to family and career.

Includes a career-oriented and job-oriented person who often feels that he or she is in control of his life. They value agreement, predictability and stability for risk, intimacy and self-discovery. They live a conventional life, tend to be politically conservative, and respect the power and status quo. Images become important to them; they love the establishment, prestige and premium products and services to show success among their group. Leisure-related products and services are of interest to them, as a manifestation of their busy lifestyle needs.

- 5) Strivers: Consisting of three psychological descriptions, contemporary, imitative, and conscious style. A striver is a trendy and fun figure. Because they are motivated by achievement, they are concerned about the opinions and consent of others. Money defines success for people who are struggling, who do not have enough to fulfill their desires.

- 6) Experiencers: Consumer self-expression motivation, high resources. Including people who are young, important, enthusiastic, impulsive and rebellious. They seek diversity and excitement, enjoying new, weird and risky things. Being in the process of formulating the value of life, experiencers quickly become enthusiastic about new possibilities, but also quickly get bored. While at this stage, they are politically neutral, ignorant, and contrary to their beliefs. Exhausted power is suitable for practice activities, exercising, outdoor activities and social activities. They are eager consumers and spend their income on clothes, fast food, music, movies, videos and technology.

- 7) Makers: Consumers are self-expression motivation, low resources. Is a practical person who has the ability to build and appreciate self-reliance. They choose constructive activities by hand and spend their spare time with their family and close friends. Focus on familiar things, such as family, work and physical pleasure, and have low interest in the wider world. They are politically conservative, suspicious of new ideas, respect the power of government, but sometimes resent the government's interference with individual rights. They prefer value to luxury, so they buy staple products, and appreciate practical and functional products.
- 8) Survivors: Consumers belonging to this group live in a limited but relatively satisfied income. Most of the elderly and very concerned about their health, safety and to be in their families, also not active in the market. Survivors do not show the main motivation and sometimes feel helpless. They tend to be loyal to the brand and buy discounted goods.

Looking at the framework above, this research assumes that millennials are in the Strivers category. These are consumers who are motivated for the rewards, but the resources are low. They are trendy people and fun people. They have low incomes, limited education and tend to have limited interest. They love stylish products to match or imitate the purchase of people who have greater material wealth, money means success for them, and strivers have less confidence than achievers. Strivers have a trendy personality and tend to follow trends.

2.1.5 Tri-Components of Attitudes Model

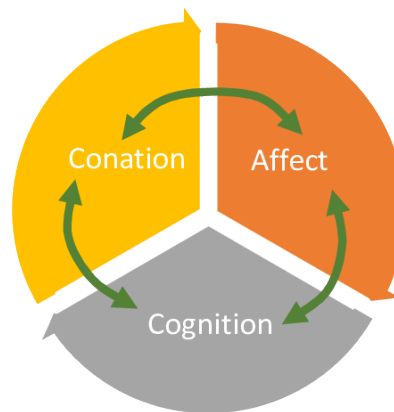


Figure 11 – Tri-Components of Attitudes Model

Tri-components Model consists of three components, namely cognitive, affective and conative. The cognitive component is the knowledge and perception of the consumers gained through experience with various sources. Knowledge and perception that usually shaped consumer confidence to the product attributes. Affective components describe the feelings of consumers in which the feeling is a thorough evaluation of a product. The conative component describes a person's tendency to perform certain actions related to the attitude object. The conative component in consumer research usually reveals the buying desire of a consumer (Jayasuriya, 2016). Looking at this model, researcher assumes that millennials will experience this phase before they create a Carousell account. First, they initially get views and information from their surroundings about Carousell, second, they will feel interested in trading in Carousell, and their final phase will make the Carousell account.

2.2 Theoretical Framework

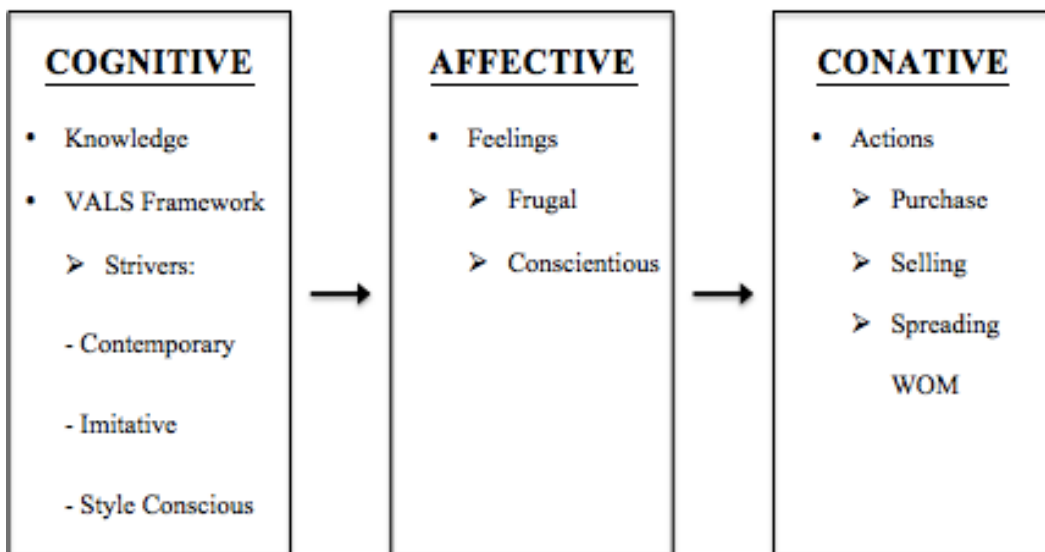


Figure 12 – Tri-Components of Attitudes Model with VALS Framework

According to VALS Framework, researcher categorized millennials as strivers; by using this new framework, researcher wants to identify whether millennials are interested in using Carousell as a digital platform for trading pre-loved items with a sequence based on the Tri-Components of Attitudes Model.