

How customer perceived value and perceived risk influence the purchase intention
and willingness to pay for 30-years leasehold luxury residences in Bangkok

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Abstract

The duration of the lease may be different, depending on the country. In Thailand, the maximum duration of the long-term lease for residential is 30 years. Even though the term of long lease are very restrictive, 30-years leasehold luxury residential properties in the prime area of Central Bangkok are well-received in the market.

The purpose of this study is to propose a conceptual framework to explore the influences of multidimensional roles of customer perceived value (CPV) and perceived risk toward both purchase intention and willingness to pay (WTP) for 30 years luxury leasehold residences in Bangkok. The components of CPV are developed based on PERVAL model including function, price, emotion and social value. While the components of perceived risk include performance risk, financial risk, psychological risk and time risk.

To complete the purpose of this research, quantitative research approach with the use of questionnaire is employed. The main target respondent is Bangkok residents (both Thais and foreigners) who have heard about or visited 30 years luxury leasehold residences. Three hypotheses are developed: H1: CPV positively influences the purchase intention; H2: Perceived risk negatively influences the purchase intention and H3: Purchase intention positively influences WTP on 30-year leasehold luxury residences. Cronbach's alpha is used to determine the reliability and regression analysis is employed to test hypotheses.

The results will provide an important source of information for luxury leasehold marketers to develop effective marketing strategies that meet customer needs.