

## **ABSTRACT**

### **THE EFFECT OF PERCEIVED QUALITIES, PERCEIVED VALUES, AND SOCIAL MEDIA WOM TOWARD THE LUXURY GOODS PURCHASE INTENTION IN JAKARTA INDONESIA**

The sale of luxury goods in Indonesia has experienced a significant rise and it is estimated that the sale will continue to grow. Due to its importance of understanding luxury goods purchase intention in business marketing, this study examined the effect of perceived quality, value perceptions, and social media WOM on purchase intention. This study also investigates the effect of consumers' demographics and perceived social status as moderating effect on luxury goods purchase intention. The sample of this study is 472 people and they are chosen by using the purposive sampling. To analyse the data, Smart-PLS 3 is used. The findings show that social media WOM has an effect on purchase intention luxury goods. Additionally, while perceived quality does not impact functional value, social and functional value predict social media WOM participations. It is also important to note that gender, education and income moderate the relationship between social media WOM and luxury purchase intention, but the perceived social status is not significant as the moderating variable. These findings are instructive for high-end companies that sell their products and services online. It is expected that future study could concentrate on specific luxury product to explain real-world consumer experiences with luxury goods.

Key words: luxury goods, perceived value, social media WOM, purchase intention