

Consumer Brand Loyalty of Fast Fashion Brands of Young Consumers in Indonesia

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Abstract—The purpose of this paper is to empirically investigate the factors affecting consumer's fast fashion brand loyalty by examining Indonesian college students' perceptions and loyalty toward Fast Fashion Brands. The research model describes relationships between Consumer Based Brand Equity Dimensions towards Brand Loyalty. The hypothesis to this research was that consumer's perceptions of Fast Fashion, including brand awareness, perceived quality, perceived value, brand personality, organizational associations, and brand uniqueness, affect consumer brand loyalty. Based on the results of 139 Indonesian college students in the Greater Area of Jakarta, using structural equation modeling, this study found that for Indonesian College Students, Brand Awareness, Perceived Value, Organizational Associations and Brand Uniqueness were factors that influenced their Brand Loyalty towards Fast Fashion Brands.

Keywords—Fast fashion, brand loyalty, perception, fashion, Indonesia.

I. INTRODUCTION

Past literature has shown that Fast Fashion from a consumer perspective is still an under-researched area and so are the dimensions of consumer behavior towards fast fashion [1,2,3]. Fast fashion retailers in global consumer market have been greatly expanding for the recent years[4]. The business model of Fast Fashion brands are those that follow recent fashion trends yet responsive to customer demands and charged relatively reasonably. Some prime examples of Fast Fashion brands would be H&M and Zara [5], both who have grown to become the largest clothing company worldwide. College students especially, easily adopt Fast Fashion products quickly due to their limited finances yet they find to be clothed in trendy as socially visible fast fashion is part of socializing [6,7]. Furthermore, the business model of Fast Fashion as indicated by Fletcher Sustainable Fashion & Textiles [8], is a fast response system and tends to be more disposable in nature. Thus the fast turn over of Fast Fashion products show opportunity for Brands to increase consumers repurchase intention towards their products.

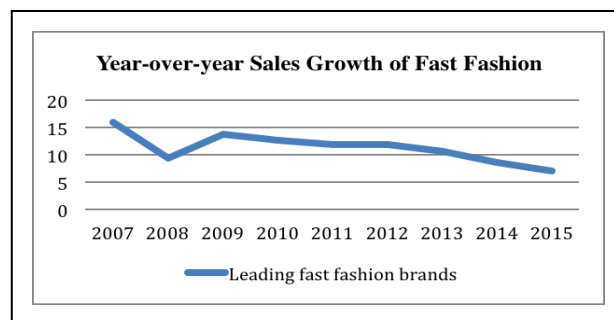


Fig.1. Year-over-year sales growth of Fast Fashion
Source: Adapted from Atlas by M.B. 2016, Retrieved 21 May 2018 from <https://qz.com/825554/hm-zara-primark-and-forever-21-one-euromonitor-chart-shows-how-fast-fashion-is-reshaping-the-global-apparel-industry/>

Figure 1 shows a graph taken from Quartz show the declining growth of leading Fast Fashion brands (H&M, Zara, Primark and Forever 21). Although the overall yearly growth of Fast Fashion Brands sales has been declining drastically since 2009 (after the global financial crisis). From this Fast Fashion Brand have a number of alternatives such as attracting new customers or retaining remaining customers to increase purchases.

Deloitte Consumer Insights: The evolution of the Indonesian Consumer (2016) displayed that there has been a rise of the Indonesian middle class and similarly the rise in growth rate of the disposable income. Thus such rise in both indicators can show opportunity for Brands such as Fast Fashion to be purchased and repurchased by Indonesian consumer, as purchases of Fast Fashion Brands would be exchanged with the consumer's disposable income. Furthermore, research based on consumers of Fast Fashion brands with the scope of Indonesia is still very limited. This research aims to bridge that research gap. This research refers to a study by Su & Chang (2018) "Factors affecting college students' brand loyalty toward fast fashion a consumer-based brand equity approach", [9]. That found several other dimensions of Brand Equity to have significant effect on Brand Loyalty. Since the study was limited to their research scope, it was suggested that the same model to be tested in other geographic regions. Thus this research will aim to assess Brand Loyalty and the factors affecting it, similarly on college students but in the scope of Jakarta, Bogor, Depok, Tangerang and Bekasi (Jakarta Greater Area or Jabodetabek) on a basis of convenience sampling.

II. LITERATURE REVIEW

Defined Customer-Based Brand Equity (CBBE) as a set of assets and liabilities linked to a brand, a multidimensional concept that included four core dimensions; brand awareness, perceived quality, brand association and brand loyalty[10]. Likewise on this study the focus is on fast fashion CBBE from a marketing perspective and includes CBBE dimensions that represent consumer perceptions and reactions to fast fashion product brands. The CBBE dimension included in this research are Brand Loyalty, Brand Awareness, Perceived Quality, Brand Associations (represented by Organizational Associations, Perceived Value and Brand Personality) and Brand Uniqueness[9].

However, recent studies have also found that Brand Loyalty could instead be a consequence of brand equity, excluded as part of its core dimensions [11,12]. Further found that Brand Loyalty are influenced by other components of CBBE. Categorized two different categories of Brand Loyalty, behavioral and attitudinal [13,14]. Defined Brand loyalty as an “attachment the customer has to a brand”, while defined it as “a deeply held commitment to repurchase the product or service”[15]. Defined the attitudinal component as the dispositional commitment in terms of unique value associated with the brand [11], added that it could be demonstrated by the intention to buy the brand as a primary choice. [16]

Other dimensions of CBBE presented are Brand Awareness and Perceived Quality [2]. Then defined as well as the ability to recall a brand but as a member of a certain product category. Brand awareness consists of brand recall and recognition, being two steps of brand awareness achievement [17]. Defines perceived quality as customer’s judgment about a product’s overall excellence or superiority that is different from objective quality[18].

Three types of brand associations are perceived value, brand personality and organizational associations commonly used in literature. These three core assets are key to build strong associations between consumers and a brand [13, 19]. Demonstrated the role of brand associations is to create meaning for the customer [10,20]. Brand association becomes stronger when based on many experiences of exposure to communications and when supported by a network of other links. Brand Personality is defined in terms of various traits or characteristics that brands can assume from the perception of consumers [17]. Concluded that Fast Fashion Brand Personality included the traits of excitement, attractiveness, up-to-date and sophistication [9]. Organizational Associations are consumer’s beliefs that the company of the brand is honest, trustworthy and cares about the customers [21].

Brand Uniqueness is defined as the degree to that customers feel that customers feel the brand is different from competing brands and how distinctive they are If the brand is not unique from other brands it may have difficulty attracting consumers attention and creating preferences and commitment. Thus concluded that with that, they are considered a core component of the CBBE. Stated that the need for newness and uniqueness of Fast Fashion brands drives the change of culture in the fashion industry [22].

III. METHOD

The research model presented six hypothesis and all assess the relationship of the variables towards Brand Loyalty. This model mainly is to assess which CBBE dimension significantly affect Brand Loyalty positively. With the research model adapted, the following hypotheses are tested (see figure 2):

H1: Brand awareness has a significant positive effect on consumer brand loyalty.

H2: Perceived quality has a significant positive effect on consumer brand loyalty.

H3: Perceived value has a significant positive effect on consumer brand loyalty.

H4: Brand personality has a significant positive effect on consumer brand loyalty.

H5: Organizational associations have a significant positive effect on consumer brand loyalty.

H6: Brand uniqueness has a significant positive effect on consumer brand loyalty.

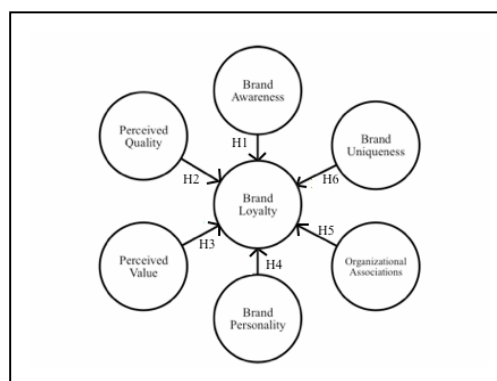


Fig. 2. Research Model (Su & Chang 2018)

A. Measurements and sample

The variables will be measured by responses of respondents to a questionnaire. The customer then chooses one specific brand that they are most familiar with, with that brand in mind; the customer would interpret the questionnaire exchanging the symbol X as the brand in mind. The questionnaire will provide respondents with a scale of 1 to 5. The illustration that a respondent strongly disagrees with a statement is shown by (1) and the illustration that a respondent strongly agrees with a statement is shown by (5).

The research pool selected for this study chosen are young adults as studies [23, 24, 25] found that fast fashion’s target market is largely young people. The sample selected for this study would require a homogeneous group of customers who regularly shop in fast fashion retailers thus respondents would have to have shopped in a Fast Fashion Brand in the last 6 months [25]. The assumption that college students would be relatively homogeneous arises from that they would have similar budget constraints. Furthermore, the top 6 Brands chosen have over 50% of their amount of stores located in the city of Jakarta. Thus for this study, the main respondents would be college students enrolled in a university in the Jakarta Greater Area (Jabodetabek). The sampling method to be used is non-probability convenience sampling since data of the entire population of research would be

unobtainable due to time and costs, thus non-probability would be an acceptable alternative that allows the researcher to choose those that simply the respondent criteria.

B. Structural Equation Modelling

The research model will be assessed with Structural Equation Modeling. First through the selection of constructs (Brand Loyalty, Brand Awareness, Organizational Association, Brand Uniqueness, Perceived Value, Perceived Quality and Brand Personality), specifying the measurement model, the model is then assessed in terms of the model will be assessed through Structural Equation Modeling [18]. The model is first assessed in terms of reliability and validity and goodness of fit. Validity is achieved when Standard loading factors (SLF) are 0,50. To assess the reliability of each variable the analysis can be made on *composite reliability* (CR) dan *variance extracted* (VE) both of which have a separate formula [30]. Stated that for the variable to reliable construct reliability $CR \geq 0,70$ and its variance extracted [14] $(VE) \geq 0,50$. The measurement model will also be assessed using incremental and absolute fit measures. Both structural and measurement model will carried out using LISREL based on the maximum likelihood estimation method. For the analysis of the structural model, the values to be examined are t-values, R^2 and estimates.

IV. RESULTS

The items from the table I were adapted from reference [9], which were adapted form the following literature: [26, 27].

TABLE 1. MEASUREMENT MODEL ANALYSIS

Latent Variable	Items		SLF	Composite Reliability	Average Variance Extracted
Brand Awareness	BA1	I am aware of brand X	0.66	0.85	0.66
	BA2	When I think of fast fashion, X is one of the brands that comes to mind	0.65		
	BA3	X I a brand of fast fashion I am very familiar with	0.79		
Perceived Quality	PQ1	X offers very good quality products and services	0.89	0.91	0.763
	PQ2	X offers products of consistent quality	0.77		
	PQ3	X offers very reliable products	0.74		
Perceived Value	PV1	X good value for money	0.74	0.899	0.749
	PV2	All things considered (price, time, and effort), X is a good buy	0.87		
	PV3	Considering what I pay for X, I feel I get my money's worth	0.80		
Brand Personality	BP1	Brand X is Exciting	0.66	0.827	0.513
	BP2	Brand X is Attractive	0.86		
	BP3	Brand X is Up-to-date	0.62		
	BP4	Brand X is Sophisticated	0.52		
Organizational Association	OA1	I trust the company which makes brand X	0.81	0.918	0.790
	OA2	I like the company which makes brand X	0.83		
	OA3	The company which makes brand X has credibility	0.85		
Brand Uniqueness	BU1	X is distinct from other brands	0.80	0.878	0.706
	BU2	X really stands out from the other brands	0.83		
	BU3	X is unique from the other brands	0.86		
Brand Loyalty	BL1	I consider myself to be loyal to X	0.80	0.844	0.643
	BL2	X would be my first choice when considering fast fashion	0.82		

The table II show that the data supports hypothesis H1, H3, H5, H6, that consumer Brand Awareness, Perceived Value, Brand Personality, Organizational Associations and Brand Uniqueness positively effect consumer Brand Loyalty (t value > 1.95). Furthermore, the structural model has an R^2 of 0.65, where 65% of the variance in the variable Brand Loyalty is influenced by the variables Brand Awareness, Perceived Quality, Perceived Value, Brand Personality, Organizational Associations and Brand Uniqueness and the remaining would be influenced by other factors.

TABLE 2. T-VALUE OF STRUCTURAL MODEL

Hypothesis	Path	Estimates	T-Value	Conclusion
H1	Brand Awareness -> Brand Loyalty	0.45	2.27	Significant
H2	Perceived Quality -> Brand Loyalty	-0.06	-0.43	Not Significant
H3	Perceived Value -> Brand Loyalty	0.25	2.70	Significant
H4	Brand Personality -> Brand Loyalty	-0.06	-0.47	Not Significant
H5	Organizational Associations -> Brand Loyalty	0.22	1.99	Significant
H6	Brand Uniqueness -> Brand Loyalty	0.26	2.76	Significant

V. DISCUSSION

This study shows a significant influence of the latent variable of Brand Awareness towards the Brand Loyalty in a Fast Fashion Context. Such conclusion show that the more a consumer is aware of a brand, the higher their recall and familiarity towards the Brand, the more they would be loyal to the Brand. The item with the highest loading factor was BA3 (X I a brand of fast fashion I am very familiar with) thus show that the more they are familiar the more they are loyal. This study also included open-ended questions that questioned respondents where they found most of their information; the highest frequency fell under 'in store'. Thus the most popular method of collecting information about the Fast Fashion Brand was from In Store encounters. Following In Store encounters were WOM and Social Media. This shows that Fast Fashion Brand still have potential to increase their reach to customers outside of In Store encounters, such as through channels of social media and WOM.

This study shows a significant influence of the Perceived Value of Indonesian consumers towards their Brand Loyalty in a Fast Fashion context. Thus this shows that the more a consumer feels that the Fast Fashion Brand is of 'good value', the more that they'll be loyal to the Brand. The value that is considered is what the consumer gains from purchasing the product minus all the costs (price, time and effort). However, based on the Factor Loadings, PV2 (All things considered (price, time, and effort), X is a good buy), it shows that the respondents of this research find that costs other than money such as time and effort are factors that contribute to their brand loyalty as well. Examples of costs in time and effort could be the time and effort it takes for the respondent to purchase the product such as location of the store, which was indicated by some respondents are a factor of their loyalty towards the brand. Thus with this Fast Fashion Brands should consider the locations of their stores in Indonesia to be dispersed and have locations that would be near potential

consumers. For example, locations could include being near highly populated college or universities to ease the access of their target market. In addition, online purchases could also decrease a consumer's costs of effort and time, thus Fast Fashion Brands could focus on either promoting their existing online store or making it more user friendly and accessible for the Indonesian market.

Brand Uniqueness is shown to have a positive influence towards Brand Loyalty. Thus the more the consumer views that the Brand is unique, the higher the Brand Loyalty. This provides indicates that Brands should focus on creating Brand Uniqueness, making distinctive features and strong core competencies. Based on the Factor Loadings of the Brand Uniqueness construct BU3 (Brand X is unique from other brands (having qualities of being particularly remarkable, special or unusual)) had the highest factor loading. Thus what the consumer find is a remarkable or special from the brand impacts Brand Loyalty. According to the analysis of open-ended questions, qualities of Fast Fashion Brands chosen that they find as the Brand's strength are their design and material. Thus Fast Fashion Brands could place an importance in their design and material of clothing to increase their consumer Brand Loyalty.

As Organizational Associations is shown to have a positive influence towards Brand Loyalty of Fast Fashion Brands in Indonesian consumers in this research, thus a more positive image of Fast Fashion brands would induce loyalty in Indonesian consumer. The item with the highest loading factor item is OA1, indicating that the Organizational Association that is most impactful is credibility as apposed to liking or favorability of the organization. Credibility could also be in terms of the trust the consumer has towards the organization behind the brand, thus this recommends the companies to be transparent to the brand, as the more they are the more likely that Indonesian college and university students are inclined to be loyal to the brand.

VI. CONCLUSION

The research found that similarly to US college student consumers, in the context of Indonesian college/university students in Jakarta Greater Area, Brand Awareness, Perceived Value, Organizational Association and Brand Uniqueness has a significant positive influence on their Brand Loyalty, and factors Brand Personality and Perceived Quality does not have a significant influence. In practice, this research has its drawbacks and limitations. However this research aimed to show patterns of Fast Fashion's main target market, the youth and college students do not represent the whole population of the youth as college students would mostly represent those aged 18-22 years old thus the model could also be tested in a different group of consumers.

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