

## CHAPTER I

### INTRODUCTION

#### 1.1. Background of the study

Fashion has become a part of human life. Starting from the top of the head to the toes that we wear can be called fashion. Fashion, often mistakenly confined to the realm of clothing, is an intricate tapestry woven through the fabric of society. It is an expression of art, culture, and personal identity (Budi et al., 2014).

At its core, fashion is a manifestation of change. It is not merely about garments; it encompasses styles, trends, and practices in clothing, accessories, footwear, makeup, body postures, and even lifestyle. Fashion is a reflection of the social, economic, political, and technological changes that mold societal norms. Moreover, it often serves as a visual archive, chronicling the history and evolution of a civilization (Kawamura, 2005).

On a personal level, fashion is a means of expression. What one chooses to wear can be a proclamation of one's identity, beliefs, and values. It can be an armor that protects or a banner that declares. For example, wearing a suit may portray professionalism and competence, while a colorful outfit may reflect a vibrant personality. Fashion choices can empower individuals to take control of their image and, in turn, how they are perceived by society (Motta & Biagini, 2017).

The word 'fashion' is mainly used to refer to clothing and styles of appearance. There are 'fashions' in other aspects of intellectual and social life, and fashion exists in various spheres of our lives. It is a word that can be used in many senses, and we encounter and use the term 'fashion' every day loosely and ambiguously, generally meaning clothing-fashion. To understand what fashion means in a more specific sense, it is essential that we understand the difference between fashion and clothing and also integrate two senses of fashion, that is fashion as a concept and clothing-fashion as a practice or phenomenon. Only by interpreting fashion as a concept in

a broader sense, do we understand what clothing fashion means in a sociological sense. Fashion is a concept that separates itself from other words which are often used as synonyms of fashion, such as clothing, garments, and apparel. Those words refer to tangible objects while fashion is an intangible object. Trying to define a particular item of clothing as fashion is futile because fashion isn't a material product but a symbolic product that has no content substance by/in itself (Kawamura, 2005).

Fashion is intrinsically tied to culture (Digitalcommons@umaine & Doiron, 2018) Fashion is a major part of the culture, not to mention an essential component of self-expression. For many, however, it is overlooked, although nearly every person makes decisions on their clothing each day. Clothing inherently represents its wearer, and therefore, fashion plays a large role in the lives of individuals and as a representation of society.

It can be a powerful tool in preserving cultural heritage. Traditional clothing, such as the Indian Sari or the Japanese Kimono, carries stories and values of the past (Pozzo, 2020). These garments are not just fabric; they are threads of history passed down through generations. Conversely, fashion also allows for cultural exchange and amalgamation, as people adopt and adapt styles from different cultures, weaving a rich global tapestry (Alkhazi, 2016).

The economic significance of fashion is monumental. The global fashion industry is one of the most lucrative and dynamic sectors, employing millions of people. Moreover, fashion plays a critical role in global trade and economies, with numerous countries relying heavily on textile and apparel exports (MacArthur, 2017).

As one of the important aspects of human life. You could say fashion is one of the highest growths in the e-commerce sector. There are 8 categories of goods and services with the highest growth in the e-commerce sector, namely food and personal care; fashion and beauty; digital music; DIY toys and hobbies; video games; furniture and appliances; and travel, mobility, and accommodation; At the

global level, Fashion & Beauty products occupy the 2nd position (+27%) among 7 other categories (Alya et al., 2022).

Therefore, we can see the inexhaustible rapid development of the fashion industry. This development is not only felt by foreign countries but in Indonesia itself is also experiencing very rapid development in the field of fashion. Not only famous European brands. The existence of globalization has made Indonesia participate in developing the fashion industry. We can see the emergence of various trademarks that introduce their fashion products. Starting from the design of bags made of crocodile skin, which have been produced themselves in Indonesia. You can find clothes, shoes, and accessories all in Indonesia which are often referred to as local brands (Dicken & Hassler, 2000)

However, with the emergence of local brands originating from Indonesia, fast fashion outside brands that offer their fashion still developing in Indonesia, or have experienced a drastic decline (Agusalim, 2021).

There are various fast fashion brands that you can find in the Indonesian market. Mango, Zara, and Uniqlo are fast fashion brands that are quite popular and have many enthusiasts in Indonesia. In this journal, we will discuss and focus on fast fashion from Zara (Uriarte Elizaga Hualien, 2016).

One of the fashion products that are designed quickly to keep up with changing trends in each season is fast fashion products. Fast fashion products are produced by retailers with a mass production system. Fast fashion was originally a trend that emerged during 1980 – 1990 in the United Kingdom (Radhakrishnan, 2020)

Then fast fashion developed rapidly globally with various brands such as Mango, ZARA, HnM, Uniqlo, Bershka, and so on. Through fast fashion products, these brand retailers can bring the latest fashion trends into products that are affordable for various groups. Fast fashion products have received considerable attention from the global community, in 2014, the average person owned 60% more clothing products compared to the average consumer in 2000 (How Polluting Is the Fashion Industry? - EKOenergy, 2019).

However, even though fast fashion is much loved by outsiders, however a lot of negativities is created as a result of fast fashion. Fast fashion, which always releases its latest models at every change of season, makes them continues to produce collections even though the previous models have not sold out. The result of fast fashion brings concern to the world because of the accumulation of clothing waste in the world (Zhang et al., 2021).

Based on the data I found from Lemman (Lemman et al., 2020) Ten percent of the earth's damage is caused by the coloring of clothes and their processing. Based on data, the fashion industry employs at least one-sixth population in the world.

On 24 April 2013, 1,134 people were killed and at least another 2,000 injured in the collapse of a factory building in Dhaka, Bangladesh, where clothing was being made for international brands including Primark, Bonmarché and Canada's Loblaw. The owner of the Rana Plaza building remains in prison but the murder trial against him and others, including factory owners and local officials, continues to grind on almost seven years since charges were brought, with no one yet to be convicted (Bossavie et al., 2020)

But unfortunately, the fashion models that they offer themselves are not the result of the research and development of the fast fashion company itself. Fast fashion usually kidnaps work from other designers which is then made into their copyright and which ends up being mass-produced. The method of creating a design model is known as carbon copy which has received a lot of criticism from designers all over the world who feel it is unfair (Jai & Bnursing, 2023).

Of the various problems created by fast fashion culture, many people who initially liked fast fashion have changed their minds. Electronic - word of mouth is one of the reasons why all people in the world easily know the bad effects of the influence of fast fashion in the world (Afif et al., 2020).

In electronic word of mouth, consumers make both positive and negative comments about products through the internet. Statements may come from potential customers, actual customers, and former customers. With the increasing number of internet

users each year, companies need media to market their products through the internet or electronic marketing tools that are accessible to everyone. Electronic word of mouth becomes an easy and accurate choice for promoting within the company's business because of facilities such as websites, forums, messengers, and other social media like Facebook, Twitter, and Instagram. When a consumer buys a product, usually they will look for information related to the product before purchasing (Dan et al., 2022).

Brand awareness from various brands from fast fashion, which should provide engaging services to their consumers, actually defames them. Even so, it must be admitted that every fast fashion brand is still very concerned about the quality of the products they offer. They continue to provide the latest models and fashion that are popular and on the rise every season (Jai & Bnursing, 2023).

Product Quality is one of the characteristics of a Product. Product Quality is the ability of a product to perform its function, including durability, reliability, accuracy, ease of operation and repair, and other valuable attributes. There are several key factors that influence customer satisfaction and used to measure customer satisfaction. These factors are product (quality, availability, and others), price (convenient payment conditions, and others), services, distribution, and product image. If all these indicators meet the consumers' expectations, then it will create customer satisfaction, improve reputation, and increase the number of new customers (Devi, 2017).

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In Indonesia fashion products are the biggest contributors to the export of the creative industry, with a total contribution reaching US\$ 3.2 billion or around 5.8%

of the total exports of creative products. This is equivalent to 7.05% of the national export value, averaging Rp 1.759 trillion. Besides increasing the state's revenue, this industry also has a positive value as it can absorb labor and provide national business fields. The number of workers absorbed in the last three years grew to 16.57 million people in the first semester of 2017 from the position at the end of 2014 as many as 15.39 million people; this is targeted to continue to increase until the end of 2019 to reach 17.1 million workers to be absorbed by the national industry. Up to now, this sector has been able to produce 254,037 competent workers; this will add new creations in the fashion field, which will also influence consumer behavior in making their choices (Fitrian, 2020).

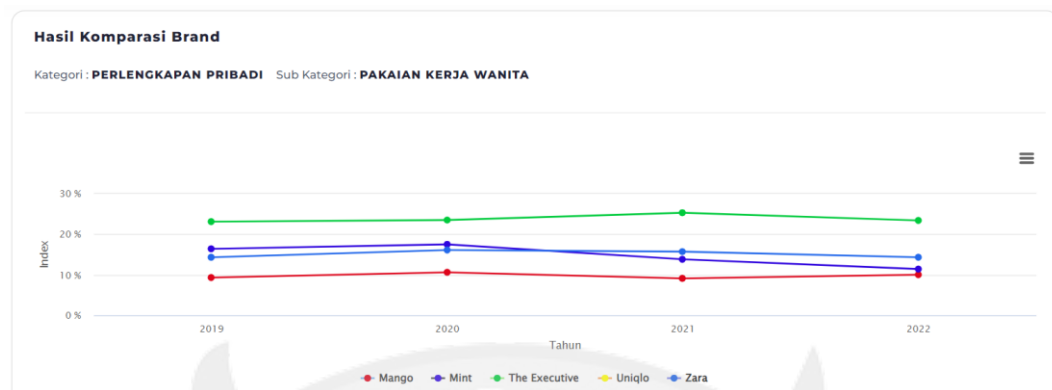


The screenshot shows the 'TOP BRAND AWARD' website interface. At the top, there are navigation links: 'Top Brand Index', 'Komparasi Brand', 'Tentang Kami', and 'Pusat Media'. Below the navigation is a legend for the brands: Mango (red dot), Mint (blue dot), The Executive (green dot), Uniqlo (yellow dot), and Zara (blue dot). The main content is a table with the following data:

| Name Brand    | 2019  | 2020  | 2021  | 2022  |
|---------------|-------|-------|-------|-------|
| Mango         | 9.30  | 10.60 | 9.10  | 10.00 |
| Mint          | 16.40 | 17.50 | 13.80 | 11.40 |
| The Executive | 23.10 | 23.50 | 25.30 | 23.40 |
| Uniqlo        | -     | -     | -     | -     |
| Zara          | 14.30 | 16.10 | 15.70 | 14.30 |

Showing 1 to 5 of 5 entries

**Figure 1 Top Brand Index**



**Figure 2 Top Brand Index**

**Table 1 Sales Data**

| Name of Brand | Percentage decrease or Increase in sales from 2020 - 2022 |
|---------------|---|
| Mango         | Increase 0.6%   |
| Mint          | Decrease 6.1%   |
| The Executive | Decrease 0.1%   |
| Zara          | Decrease 1.8%   |

Based on sales data that is still available on the Top Brand Index. ZARA sales began to decline from 2020 to 2022. ZARA sales figures in 2020 were at 16.1% and decreased to 14.3% in 2022 showing there is decreasing sale in ZARA for 1.8%. This is a phenomenon in this research which shows a decrease in purchase intention from ZARA customers.

Based on data quoted from Media Konsumen (Media Konsumen, 2022) stated that he was disappointed with the ZARA product he purchased on December 22, 2022 on Media Konsumen social media. The bad review reported by Budi is a form of E-WOM that can make ZARA's purchase intention low. This states that there is a relationship between E-WOM and purchase intention.

Beside E-WOM, brand awareness is also an important factor considered by consumers when purchasing these products. Based on data from CNBC, it is reported that of at least 33 million tons of clothing produced, almost one million of them become textile waste every year. A study conducted by the Oceanographic

Research Center of the Bogor Agricultural Institute (IPB) last February found that as much as 70 percent of the middle section of the Citarum River was contaminated with microplastics, in the form of polyester thread fibers (Nur Rahmania Ramadani, 2022).

Apart from E-WOM, Brand Awareness, the product quality offered by ZARA also a factor that influences purchasing intension. There is no need to doubt the quality of ZARA products, because they use the best quality products. The founder of Zara uses a clothing fashion analysis method using technology and ideas from several famous designers. The combination of these two elements presents clothing models that are always up-to-date. Almost every two weeks, there will be a new clothing model. This flexible production process allows Zara to produce clothes quickly according to market demand in different seasons/times.

### **1.2.Problem Limitation**

The research object is limited solely in analyzing the effect of E-WOM, Brand Awareness and product quality (as independent variables) on purchasing Intention (as dependent variable) at ZARA, as this research specifying on ZARA customer in Medan, Indonesia.

### **1.3.Problem Formulation**

Taking into account the existing context and to gain a holistic view, the authors pinpoint the subsequent issue:

1. Is there any partial effect of (Electronic – World of Mouth) E-WOM on the purchase intention?
2. Is there any partial effect of Brand Awareness on purchase intention?
3. Is there any partial effect of Product Quality on purchase intention?
4. Is there any simultaneous effect of Electronic – World of Mouth (E-WOM), Brand Awareness and Product quality on Purchase Intention?



#### **1.4.Objective of the Research**

Building on the articulation of the issue as outlined earlier, this study aims to:

1. To know if is there any partial effect of (Electronic – World of Mouth) E-WOM on the purchase intention.
2. To know if is there any partial effect of Brand Awareness on purchase intention.
3. To know if is there any partial effect of the Product Quality on the purchase intention.
4. To know is there any simultaneous effect of Electronic – World of Mouth (E-WOM), Brand Awareness and Product quality on Purchase Intention

#### **1.5.Benefit of the Research**

These can be separated into two kinds of benefit, which are:

##### **1.5.1. Theoretical Benefit**

The investigator aspires for this study to render benefits to a diverse set of many parties, such as:

##### **1. For Corporations:**

The lens of this research is anticipated to aid corporations in sustaining and enhancing strategies that are both efficient and effective in navigating the competitive landscape, particularly in the fashion sector. The research is poised to offer insights that may serve as a basis for businesses to formulate strategies that pique consumer purchase intention.

##### **2. For Academic Institutions:**

Through the lens of this research, there is anticipation to furnish fresh insights concerning the influence of electronic word-of-mouth (E-WOM), brand awareness,

and product quality on the repurchase intentions of ZARA customers in Indonesia. This investigation serves as a springboard for subsequent scholarly explorations.

### 3. For the Reading Audience:

Through the lens of this research, the author endeavors to equip readers with cutting-edge knowledge, empowering them in making informed choices that attract purchasing interest for products, particularly those about the issues being examined.

### 4. For the Author:

Through the lens of this research, the undertaking of this study is envisioned to bestow the researcher with novel experiences and insights regarding marketing theories. Moreover, it is hoped that the researcher will be able to put into practice the theories explored in this study within professional settings.

#### **1.5.2. Practical Benefit**

Undertaking a thesis on "The Effect of Electronic Word-of-Mouth (E-WOM), Brand Awareness, and Product Quality Towards Purchase Intention of ZARA Customers in Indonesia" offers pragmatic benefits such as providing invaluable insights into purchase intention. This, in turn, equips ZARA and other stakeholders with data-driven strategies for optimizing marketing campaigns and product offerings, ultimately fostering an enhancement retention in the Indonesian market. Additionally, the study contributes to the existing body of knowledge, serving as a foundation for future research in the domain of consumer behavior and retail marketing.