CHAPTER I

INRODUCTION

A. Research Background

In today's context, the Internet, social media, and mobile technology have seamlessly integrated into our daily routines. Over the past decade, platforms like Facebook, Twitter, and Instagram, alongside their corresponding applications, have significantly reshaped global communication patterns, leaving a profound impact on how we interact. This digital transformation has sparked particular interest, especially among the younger demographic and students, who utilize these tools for diverse purposes, from academic pursuits to fashion insights. The ease of access and growing frequency of use have further accelerated their adoption. No longer confined to information dissemination, these tools now serve as dynamic hubs for socializing, gaming, fashion trends, and swift information exchange, encapsulating the evolving essence of our digital age.

Humans, by their very nature, seek entertainment to enjoy themselves and to gain information. Modern consumers also use these social networking platforms to fulfill their needs and gather information on many topics (Aydogan et al., 2019). Today, consumer values in developing countries are changing rapidly. Due to globalization, customers are now more aware of various international luxury brands, especially those who see them as an extension of their self-awareness, which they want to enhance through continuous purchases (Handa and Khare, 2013). Luxury is defined as the complement of consumer goods with art (Kapferer, 1997).

Luxury goods are much more expensive than non-luxury goods. Since consumer attitudes toward luxury brands can serve to improve social and/or value expressions, societies can associate wearing luxury fashion in public with money and social recognition of success (Shavitt, 1989). It has a positive impact as it helps to increase the brand's engagement in the marketing environment (Goldsmith et al., 2011). Brand engagement, as suggested by Sprott et al. (2009), which is a trend in which customers use brands as a badge and a reflection of their self-image. The brand evokes images of value and joyful emotions as a medium of self-expression while evoking the impression of "good taste" in the brand choices (Langer, 1997).

Indonesia has the largest economy compared to other countries in Southeast Asia and is considered one of the most important economies in developing countries (The World Bank, 2022). Indonesia's middle class is growing faster than other classes, and there are now at least 52 million economically stable Indonesians, or one in five Indonesians (The World Bank, 2020). In 2023, the luxury fashion segment in Indonesia will generate a revenue of USD 465.40 million. Moreover, the industry is projected to grow at a rate of 3.22% annually (CAGR 2023-2028) (Statista, 2023). Therefore, Indonesia is a potentially profitable country for luxury fashion companies given its good sales and future growth prospects.

There are many factors that influence the purchase intention of luxury fashion consumers. The fastest growing segment of the luxury market is young consumers who love fashion products (Juggessur and Cohen, 2009). Younger customers are

driving a shift in luxury consumption and perceptions (Mordor Intelligence, 2021). Coupled with higher incomes and accessibility, more consumers can afford luxury goods and are getting younger, with 21-year-olds starting to buy luxury goods (Fashion Network, 2016). According to several previous studies, materialistic values are one of the factors that have a positive impact on luxury consumption.

By the cultural and consumption theory, materialists support group-oriented conformity, the egocentric need for things (Awanis et al., 2017). Even though most young students are out of work, they are still a huge market segment from the perspective of manufacturers of various products and services. Younger consumers in developing countries are increasingly pursuing materialistic lifestyles, becoming global customers, showing similar preferences to Westerners, knowing a variety of international products, especially fashion-related products, compared to older people, are considered Be more fashion conscious (Park et al., 2007). Similar to other developing markets experiencing economic growth, it is expected that the materialistic values of young Indonesian consumers will tend to rise as their disposable income increases. Materialism is a collection of ideals and aspirations centered around money, possessions, appearance, and status.

According to Richins and Dawnson (1992), materialism described as "a state of mind or set of beliefs about the relative importance of acquiring and owning items in one's life". By the previous research, materialistic values themselves consist of six dimensions, including social acceptance, attractiveness, financial success, definition of success, attainment of centrality, and pursuit of happiness

(Kasser, 2004; Richins and Dawson, 1992). The rise in materialistic values is believed to have a positive impact on the purchase intentions of the younger Indonesian consumer segment. Understanding consumers' minds is a major challenge for luxury companies and ultimately determines whether they can capture the lion's share of the world's most important market (Vogue Business, 2020). By understanding the impact of materialistic values, stronger marketing strategies can be developed to appeal to Indonesia's youthful cohort of affluent consumers.

The study focused on students of Muhammadiyah Surakarta University, as university students represent a lucrative segment with increasing purchasing power and greater exposure to Western lifestyles than any other segment (Adib and El-Bassiouny, 2012). Likewise, researchers believe that college students are consistently the vanguard of the majority and that their characteristics often represent those of the general population (Abdelmaaboud et al., 2020). Muhammadiyah Surakarta University was chosen as the study location because it symbolizes the young population of Indonesia; their students come from different regions of Indonesia. Fashion adoption theory (Sproles, 1979) has been applied in a variety of contexts and forms the basis of this paper. The theory focuses on fashion-driven consumer behaviour and the various variables that influence their clothing-related purchasing decisions.

It also emphasizes the role of fashion in choosing fashion products. The theory states that people's motivations and purchase intentions start with knowing the latest fads. Sproles and Burns (1994) also address social and psychological

needs (eg, fulfillment of expectations, boredom, compliance with social relationships, etc.). It is the main determinant of people's acceptance of fashion. In this study, fashion adoption theory was followed to examine fashion consciousness and material values (i.e., psychological needs) of young Indonesians in order to understand their fashion clothing purchase involvement.

Despite the dramatic changes in the market under the influence of global consumer culture and the changing lifestyles in Indonesia, research on the antecedents of luxury fashion's foray in Indonesia is limited. The huge potential of the Indonesian market requires more consideration to better understand Indonesian consumers involved in fashion apparel (Sung-Min Na and Kyu-Hye Lee, 2016). Fashionable clothing has long been recognized as an important issue of social and economic significance in many societies (Hansen, 2004; McCracken, 1986). While the role of fashion clothing in Western societies is well documented, few empirical studies have examined its role in emerging economies (Jin and Kondap, 2006; Zhang and Kim, 2013). This lack of empirical research is particularly evident in emerging markets such as Indonesia, where branded fashion issues are becoming an important part of society (Luvaas, 2013).

To fill this gap, this paper attempts to better understand the participation of Indonesian youth in fashion clothing by considering their fashion consciousness and materialistic tendencies in the same study. This article complements the literature on fashion clothing involvement by exploring the emerging Indonesian market and revealing key determinants of fashion clothing purchase involvement among young Indonesian students.

B. Research Problem

The above description of the problem background led to the formulation of the problem, which is structured as follows:

1. Does fashion consciousness have a significant positive effect on materialism?

2. Does fashion consciousness have a significant positive impact on fashion clothing involvement?

3. Does materialism have a significant positive impact on fashion clothing involvement?

4. Does fashion involvement have a significant positive impact on fashion clothing purchase involvement?

5. Does materialism mediate the relationship between fashion consciousness and fashion clothing involvement?

6. Does gender moderate the relationships between the proposed variables of the model?

6a. Does gender moderate the relationship between fashion consciousness and materialism?

6b. Does gender moderate the relationship between fashion consciousness and fashion clothing involvement?

6c. Does gender moderate the relationship between materialism and fashion clothing involvement?

6d. Does gender moderate the relationship between fashion clothing involvement and purchase involvement with fashion clothing?

C. Research Purpose

Based on the research formulation of the above questions, the objectives of this study are:

1. To analyze whether fashion consciousness has a significant positive effect on materialism.

2. To analyze whether fashion consciousness has a significant positive impact on fashion clothing involvement.

3. To analyze whether materialism has a significant positive impact on fashion clothing involvement.

4. To analyze whether fashion involvement has a significant positive impact on fashion clothing purchase involvement.

5. To analyze whether materialism mediates the relationship between fashion consciousness and fashion clothing involvement.

6. To analyze whether gender moderates the relationships between the proposed variables of the model.

6a. To analyze whether gender moderates the relationship between fashion consciousness and materialism.

6b. To analyze whether gender moderates the relationship between fashion consciousness and fashion clothing involvement.

6c. To analyze whether gender moderates the relationship between materialism and fashion clothing involvement.

6d. To analyze whether gender moderates the relationship between fashion clothing involvement and purchase involvement with fashion clothing.

D. Research Contribution

The benefits that the researchers anticipated in this study were as follows:

1. Managerial Implication

The results of this study are expected to provides practical implications for fashion marketers to successfully communicate with fashion-conscious and materialistic young Indonesian consumers. The aim is to develop a strategy that aligns with the values of the consumers and communicates the appeal to their refined lifestyle. Because of the need to create a unique image in the minds of young consumers, companies should consider integrating various marketing activities (such as sales, advertising, pricing, etc.) to drive more fashion clothing involvement. For example, an ad could use specific social class references combining Eastern and Western lifestyles. Indonesian college students are heavily influenced by advertising, which can be explained by their need to be aware of the latest fashion trends, especially those being adopted by celebrities. This knowledge is extremely useful for marketers as it will help them design appropriate promotional strategies that place fashion apparel at the heart of young consumers' lifestyles, ultimately increasing their product involvement and purchase rates (Khare and Rakesh, 2010).

2. Theoretical Contribution

Research can serve as a source of ideas for scientific development, especially in the field of marketing, and as a source of information for readers engaged in research in the same field.