Taking Advantage of Social Ties, Consumer Conformity and Strategic Complements Moderated by Innovation Acceptance to Increase Purchase Intention in Fashion in Industry 4.0

BINUS UNIVERSITY DOCTORATE PROGRAM

Elfindah Princes

ABSTRACT

The era of digitalization has changed the way people live their lives. The influence of digitalization through social media exposure to people's behaviors affects their preferences too. The social influences cause the people to conform and follow the expected norm. This dissertation aims to take advantage of this effect in the term of consumer conformity to deliver purchase intention as companies have focused on drawing strategies to increase purchase intention to keep the companies survive or even excel by creating competitive advantages. A quantitative approach confirmed by qualitative analysis is used to answer the problems in this research.

The result shows that the previous and recent strategies that are used by business leaders to increase purchase intention might not be effective and relevant anymore as the fashion consumers in industry 4.0 are not affected by the advertisements, website recommendations, product quality, and service quality. Instead, the purchase intention is highly influenced by the social ties, consumer conformity and image related concerns that are driven by social comparison and strategic complements. Demographic attributes such as gender and age have also affected consumer's preferences and therefore should be given further analysis.

This dissertation implies that the future marketing strategies should be focused on personalized strategies on fashion consumers' individual image to deliver consumer conformity and purchase intention.

Keywords: consumer conformity, purchase intention, social ties, social comparison, image related concerns

Respondent Profile

No	Characteristics	Categories	Number of Respondents	%
1	Gender	Male	139	29.5%
		Female	331	70.3%
2	Age	18 – 25 years	117	24,90%
		26 – 35 years	142	30.2 %
		36 – 45 years	166	35.3 %
		46 – 55 years	45	9.6 %
3	Domiciles	Jabodetabek	280	59.6 %
		Java Island (Outside Jabodetabek)	96	20.4 %
		Sumatra	41	8.7 %
		Kalimantan	11	2.3 %
		Sulawesi	9	1.9 %
		Irian Jaya	5	1.1 %
		Bali	6	1.3 %
		Others	19	4%

Note :
1. Total Responden : 470
2. Rentang Usia = 18 – 55 thn
3. Domisili = Tersebar di seluruh Indonesia dengan mayoritas (81,8%) dari Pulau Jawa.
4. Seluruh responden merupakan pengguna internet.
5. Seluruh responden memiliki penghasilan.

DV = Purchase Intention

Variables	Direct	Indirect	Total
Social Ties	-0.079	0.3	0.22
Social Comparison	-0.11	0.65	0.54
Strategic Complements	0.012	0.53	0.54
Image Related Concerns	0.41	0.47	0.88
Consumer Conformity	0.64	0	0.64

DV = Consumer Conformity

Variables	Direct	Indirect	Total
Social Ties	0.076	0.27	0.35
Social Comparison	0.1	0.49	0.59
Strategic Complements	0	0.5	0.5
Image Related Concerns	0.73	0	0.73

DV = Social Comparison

Variables	Direct	Indirect	Total
Social Ties	0.46	0	0.46
Strategic Complements	0.44	0	0.44
Image Related Concerns	0	0	0

DV = Image Related Concerns

Variables	Direct	Indirect	Total
Social Ties	0.0045	0.3	0.31
Strategic Complements	0.33	0.3	0.63
Social Comparison	0.67	0	0.67
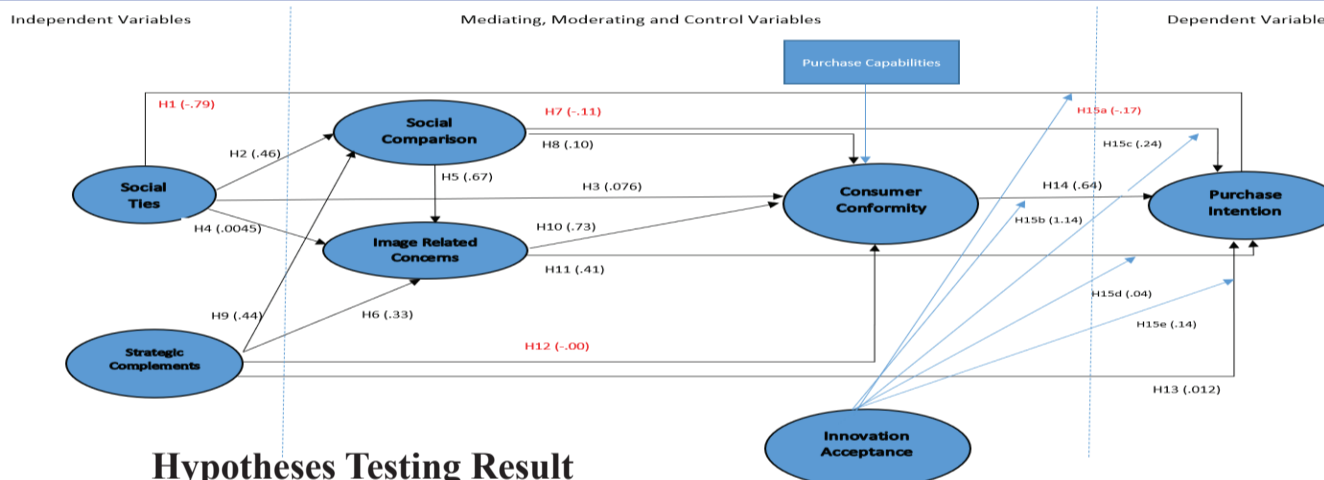
Hypotheses Testing Result

Path Analysis – Direct Relationships

INDUCTIVE PROCESS FOR THEORY GENERALIZATION
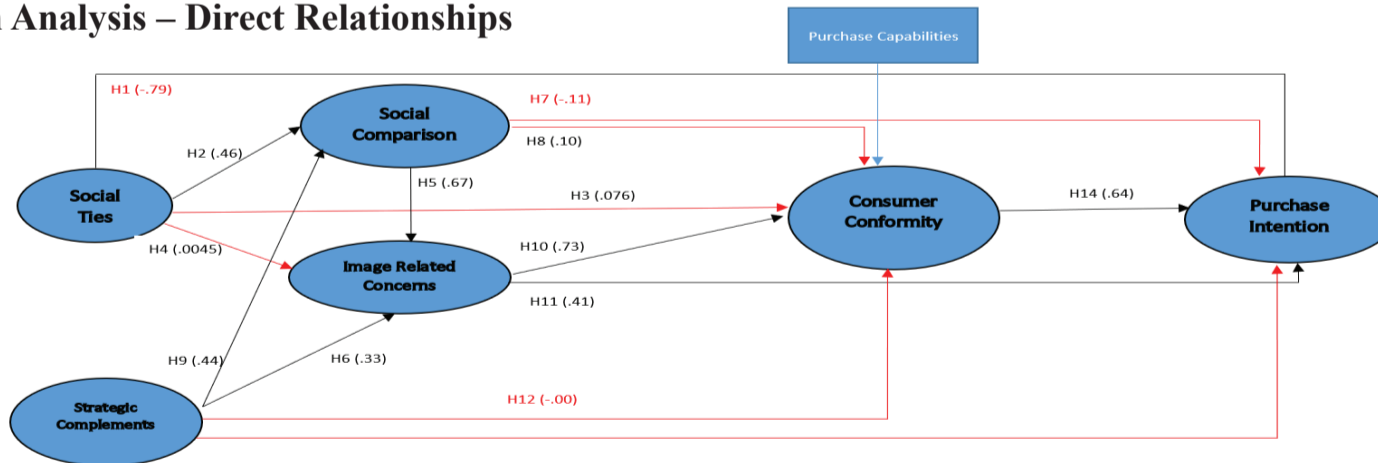
CONCLUSION

Family, friends and acquaintances influence people's purchase intention directly. Moreover, people's intention to purchase is largely influenced by the social media and advertisements that influence the Self – Image directly and indirectly. Unlike what was described in the previous study where closer ties influence people's decision making and conformity, the result but with a weak strength.

Based on the BI analysis, the females tend to seek advices and opinions from others and males do not. From the age groups, we can see that the A group (18-25 years) seek advices from other people, this is very relevant to their very young age that needs guidance, while the most influenced by famous people and celebrities are the B group (26 – 35 years). This is the age where they have steady income and build strong confidence about themselves and they look up to other famous people as examples

Appearance or outlook to be exact is agreed to by almost all respondents to be important, some even claim to be very important

Basically, all gender groups and age groups think that appearance is important, but with different level of importance.

One big sentence that is the key of the findings in the FGD is the "Women care, that's why fashion exists".

Structural Equations

$$SCP = 0.46*ST + 0.44*SC, \quad Errorvar.= 0.43, \quad R^2 = 0.58$$
T-Value: 9.26, 9.18, 7.68

$$IRC = 0.67*SCP + 0.0045*ST + 0.33*SC, \quad Errorvar.= 0.16, \quad R^2 = 0.84$$
T-value: 10.58, 0.11, 7.84, 6.10

$$CC = 0.10*SCP + 0.73*IRC + 0.076*ST - 0.00051*SC, \quad Errorvar.= 0.24, R^2 = 0.76$$
T-Value: 1.03, 5.94, 1.69, -0.0089, 7.40

$$PI = -0.11*SCP + 0.41*IRC + 0.64*CC - 0.079*ST + 0.012*SC, \quad Errorvar.= 0.19, \quad R^2 = 0.81$$
T-Value: -1.27, 3.23, 8.01, -1.98, 0.25, 6.99

Prof. Adler Haymans Manurung, M.Com, ME, Ph.D — Promotor

Prof. Idris Gautama So, S.E., S.Kom., MM, Ph.D — Co Promotor I

Dr. Sri Bramantoro Abdinagoro — Co Promotor II

Elfindah Princes, M. Kom. — Promovenda