

# A Study of Purchase Intention of International Fast-Fashion Brands of Malaysian Gen Y Consumers

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## Abstract

Generation Y consumers have become increasingly fashion conscious, contributing to the growth of the fashion industry particularly with a keen interest in international fast-fashion brands. Underlined by the consumer behaviour expectancy theory and theory of planned behaviour this study seeks to investigate the factors of brand image, perceived quality and country of origin affecting their purchase intention. Purposive sampling of 200 online survey using Google Docs were targeted Generation Y respondents. Results from the Multi Linear Regression show that brand image and perceived quality of fast fashion brands in Malaysia are important to purchase intention of Generation Y and that country of origin does not play a significant role. The findings recommend that new and upcoming intentional brands have the ability to market on the same level playing field as established brands regardless of country so long as they can capture the strong brand image of the Generation Y consumers effectively.

Keywords: Purchase Intention, Brand Image, Perceived quality, Country of Origin, International Fast-fashion brands.

## Introduction

The fashion retail industry is a thriving, sophisticated industry that has evolved over the years, with a huge economic impact worldwide with various fast fashion brands from all around the world emerging in Malaysia's market. There is a high demand for fast fashion brands as Malaysian consumers tend to prefer purchase apparels from fast fashion brands (Wigley, Moore & Birtwistle, 2005). Popular fast fashion brands include Zara, Uniqlo, H&M, forever21 and more, which are mainly from western countries. Consumers often prefer apparels from international fashion brands as they perceive these brands as a more reputable brand, which provides excellent quality of garments (Dana, Hamilton & Pauwels, 2007). In spite of this, there are a handful of domestic brands in Malaysia that provides a wide range of apparel, consumers especially Generation Y, tend to lean towards fast fashion brands from overseas. Generation Y, who were brought up in the technology era, makes them very different from previous generations (O'Cass & Choy, 2008). Due to the generation difference, marketers find it harder to target the Generation Y segment as they are constantly changing and demanding for something new in the apparel segment (Madahi, Mazhari & Rashid, 2012).

Thus, marketers of international fast fashion brands need to understand the purchase intention of Generation Y

intentions are usually affected price the brand image of the international fashion brands, but it may be different for Generation Y, given that they are influenced by various environmental factors, which makes them different when it comes to consumer preferences. According to Sprotles and Kendall (1986), Generation Y has been segmented into distinct groups which are trend setters and money savers. International fast fashion brands are often perceived as more fashionable and of better quality compared to other domestic fashion brands in apparel (Morton, 2002). This statement is rather subjective, as most of the time, the country of origin plays a part in consumers' purchase intention towards

international fast fashion brands. The key factors affecting consumers purchase intention towards apparel include price, country of origin and design of the apparel (Portolese Dias, 2003) and in the case of tech-savvy Gen Y, e-advertisement (Weiler 2005; Wang & Yang, 2010). Understanding the purchase intention of Generation Y plays an important role as there are certain factors that may arouse consumers' decision on a particular product. Thus, this study intends to investigate Generation Y's purchase intention towards international fast fashion apparels.

### **Literature Review**

This study's conceptual framework is built upon the expectancy theory (Oliver, 1974) which states that motivation of the decision making process is dependent on how much effort to put in a particular task. The primary motivator of this underlying theory is based on three key relationships: effort, performance reward and personal goals reward (Robins, Farley, Roberts & Trzesniewski, 2001). On the basis of this well-known theory consumer behavior expectancy theory was adapted. This theory can aid businesses to further understand customers' intentions and their behaviour. In this case, prediction of purchase intention of the consumers, based on a certain level of perceived quality on the apparels within the fast-fashion segment. Theory of Planned Behaviour (TPB) is the other important theory by which the conceptual framework (Ajzen & Madden, 1986) to explain the intention to purchase. Vrooms' expectancy theory is focused on identifying and measuring outcomes, which shares an implicit assumption with the theory of planned behaviour (TPB) as in this theory it states that attitude, subjective norms and perceived behavioural control will lead to intention and hence the behaviour will be carried out. These two theories show that there is an expected action that will influence the intention and thus the behaviour (Mayer & Sparrowe, 2013). Hence, allowing us to develop a framework that explores the underlying factors influencing the decision to engage in a certain behavior, in this respect purchase intention of fast-fashion apparel.

Purchase intention is often regarded as a thought to purchase, or an interest to purchase goods or services. Consumers often will consider particular attributes of the product or the brand itself before initiating purchase (Schiffman & Kanuk, 2010). Based on TPB (Ajzen, 2005), consumers' behaviours drive their purchase intention as each individual has varied purchase decision making processes. While consumers purchase a product from a specific brand due to perceived good quality, other factors such as perceived quality and price are factors that influence their purchase decision (Belleau, Summers & Pinel, 2007). Aside from that, consumers' purchasing decision is relatively complex, and it is related to their behaviour, attitude and perception. Hence, attitudes can be used as a prediction tool for the behaviour of interest (Jaafar, Lalp & Naba, 2012). However, this purchase intention can be altered by various factors, such as quality perception and price (Zeithaml, 1987). Consumers often use brand name and image as a surrogate for perceived product quality to help with their purchase decisions (Aghekyan, Forsythe & Kwon, 2012) Some fast-fashion brands like H&M and Gap are perceived by consumers to have good quality, which acts as an appeal to them to purchase (Lee, Kim & Forney, 2008).

According to Batra and Homer (2004), brand image beliefs evoke and influence consumers' preferences as aspects of a brand will have an impact if these traits are positive, descriptive and important to the consumers' perception

regarding the brand. In another study, it was agreed that a positive brand image will likely trigger purchase intention (Fernie & Hallsworth, 1997). Brand image is regarded as one of the key attributes consumers consider before initiating a purchase intention (Shukla P, 2011). Yet, a relationship between brand image and purchase intention has been less explored in the international fast-fashion retail segment (Rindell, Korkman & Gummerus, 2011) postulating the following hypothesis.

*H1: Brand Image Influences Generation Y consumer purchase intention towards international fast-fashion brands.*

Ensuring the product quality is up to the perceived standard is crucial, as shown by Kuo, Wu and Deng (2009). In addition to that, findings from Tsiotsou (2006) has indicated that it is a mediator in between extrinsic cues and customer value, and it is argued that price and perceived quality are important extrinsic cues that affect consumers' decision. However, there are contradicting findings that perceived quality has the largest impact in influencing purchase intentions. In some research (Zeithaml, Berry & Parasuraman, 1996), it indicates that there is a positive relationship between perceived quality and purchase intention, whereas another study (Bou-Llugar, Camison-Zornoza & Escrig-Tena, 2001), it indicates that there is no direct, significant impact, thus postulating the following hypothesis:

*H2: Perceived quality influences Generation Y consumer purchase intention towards international fast-fashion brands.*

Consumers today are also concerned about the products' country of origin (Mohd Yasin, Norjaya & Osman, 2007). A study by Prendergast, Tsang and Chen (2010) has shown that the perception of a country in which certain products is made in, affects perceived quality and hence influences consumers' purchase intention. For this research, a few brands within the international fast-fashion retail segment are chosen, to find out which brand consumers prefers and whether country of origin has a significant impact on purchase intention (Rezvani, Dehkordi, Rahman, Fouladivanda, Habibi, & Eghtebasi, 2012).

*H3: Country of origin influences Generation Y consumer purchase intention towards international fast-fashion brands.*

### **Methodology and Analysis**

We chose to use quantitative research methods to collect responses from the targeted Generation Y (Bakewell & Mitchell, 2003) based on their individualist characteristic creating a huge influence on the purchasing patterns in the marketplace (Eisner, 2005). Noble, Haytko and Phillips (2009), states that Generation Y often purchase apparels from international fast fashion brands as they perceive it as an increase in their social status. Generation Y generally has greater demands towards a particular fashion brand as they constantly want to stay in trend. Purposive sampling with a total of 200 questionnaires were distributed to the target respondent of Generation Y individuals via Facebook as well as email to get Generation Y respondents who were located nationwide. The surveys were distributed evenly to Generation Y respondents of both genders to avoid biasness. The questionnaire consists of general, demographic, and

questions pertaining to the variables in the framework variable based on a 5 point likert scale adapted from Lee, Kim, Pelton, Knight and Forney (2008)- Purchase Intention; Wu, Yeh and Hsiao (2011) – Brand Image; Gotlieb, Grewal and Brown (1994) – Perceived Quality; Bilkey and Nes (1982) - Country of Origin. We ensured that the questionnaire was valid and reliable (Nunnally, 1978) and cleaned data was normally distributed. The data was cleaned and analysed using SPSS employing Multiple Linear Regression to test the hypotheses.

### Results and Discussion

From the analysis, there is a total of 117 female respondents (58.3%) and 83 male respondents (41.5%). The majority of these respondents are aged between 19 to 23 years old (87.5%), which indicates that youngsters are interested in purchasing international fast-fashion brands. In addition to that, majority of the respondents are students (89%) and professionals (6.5%), working executives (1.5%), managers (0.5%) and unemployed (0.5%). Also, most of the respondents have completed tertiary studies (diploma/degree) (57%). The table below shows the summary of analysis for each hypothesis respectively. According to Peng and Lai (2012), a hypothesis is supported if the T-statistic value is greater than 1.64. Hence, H1 and H2 is supported as the T-statistic is 6.716, and 2.838 respectively ( $p < 0.01$ ), while H3 is not supported as the T-statistic value falls lower than 1.64 ( $p > 0.05$ ).

Hypothesis	Relationship	Beta	Standard Error	T-statistic	Decision
H1	Brand Image>Purchase Intention	0.451**	0.061	6.716	Supported
H2	Perceived Quality> Purchase Intention	0.201**	0.066	2.838	Supported
H3	Country of Origin> Purchase Intention	0.09	0.068	1.340	Not Supported

\*\* $p < 0.01$ ; \* $p < 0.05$

The support for H1 indicates that the more positive brand image, the higher the likelihood that the Generation Y consumers will purchase international fast-fashion brand. This is consistent with Kort, Caulkins & Feichtinger's (2006) view that brand image plays a key role in consumers' assessment of product attributes and value. When a consumer considers a brand with a positive brand image, it will likely trigger their intention to purchase, and vice versa. While the support for H2 shows that perceived quality plays a significant role in affecting Generation Y's purchase intention indicating that the higher the perceived quality, the higher the likelihood that the Generation Y consumers will purchase apparels from international fast-fashion brands. This in-line with Olshavsky's (1985) findings, stating that if consumers perceive a certain product to have good quality, it will trigger their intention to purchase. However, the non-support of H3 indicates that country of origin does not play a significant role. This surprising finding does not support Bilkey and Nes (1982) research which states that consumers will often look at country of origin before their purchase decision., Generation Y is becomingly more brand conscious and would prefer to purchase from an international fast-fashion brand (Jin & Kang, 2011) that has a positive brand image that is in trend and has good quality, despite it being costlier (Lee et al., 2008). This research has shown that regardless of the country of origin as proposed by Bilkey and Nes (1982), fashion apparels should take note of style and quality (Gotlieb et al.,1994), and aim to build a good brand image in the consumers' mind.

Limitations of this study includes an underrepresentation of factors that may affect purchase intention of fast fashion brands in which case this study only looked at three. Hence it is recommended that future research may want to look at new variables such as the intrinsic values of brands as a factor influencing purchase. Also the sampling for this study took only a few brands into consideration. With the many choices available to the younger generation, it would be more fitting to look into more choices of brands in future studies. Many consumers of all ages tend to select international fast-fashion brands due to their increasing availability and popularity. Hence, there might be a small gap as these results only addresses to Generation Y as a niche target group, instead of the entire population who purchases apparel from fast-fashion brands.

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