The Impact of Consumer Ethnocentrism, Perceived Quality, and Emotional Value on Purchase Intention of Local Brand Streetwear Products in Generation Z in Jakarta

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ABSTRACT

This study was conducted to determine the effect of consumer ethnocentrism, perceived quality, and emotional value on the intention to buy streetwear products from Generation Z local brands in Jakarta. The sampling method used is non-probability sampling with convenience sampling technique. Data collection using a google form questionnaire distributed through social media with a number of respondents as many as 200 people but only 197 that can be analyzed further. The data analysis technique used is Partial Least Square-Structural Equation Modeling (PLS-SEM) with the help of SMARTPLS v3.2.9 statistical software. The sample in this study is Generation Z with an age range of 9-24 years who live in Jakarta who are familiar with local brand streetwear products. The results indicate that consumer ethnocentrism, perceived quality, and emotional value have a positive impact on the purchase intention of Generation Z to purchase local brand streetwear in Jakarta. For street wear fashion marketers, the results provide a better understanding of the increasingly dynamic consumer behavior of Generation Z.

Keywords: Consumer ethnocentrism, perceived quality, emotional value, purchase intention

1. INTRODUCTION

As it is known that currently the world is being shaken by the coronavirus outbreak, Indonesia is no exception. The pandemic that started as a health crisis has had an impact on various sectors, including small and medium enterprises (SMEs). Therefore, the government has begun to limit import activities and encourage the Indonesian people to support and buy local products in order to help SMEs in Indonesia. The fashion industry is an SME that plays a role in the economic sector. Ministry of Tourism and Creative Economy of the Republic of Indonesia stated that of the 17 existing creative economy sub-sectors, fashion is one of the sub-sectors that is the largest contributor to Gross Domestic Product (GDP). According to data presented by the Indonesia's Central Statistics Agency (BPS), the fashion sub-sector has a contribution value of 17% and has a high export value reaching USD 11.9 billion. The fashion sector is considered to be one of the sectors that has the potential to support national economic recovery.

According to Stanforth [1] apparel goes beyond the possession of physical products to include symbolic meaning in self-expression, self-esteem, social status, identity, and personality. According to previous researcher, young people especially Gen Z like to go by the trend. Also, Gen Z is adequately intense and has more confidence in going fashionable [2]. Generation Z are people born from 1997 until 2012 [3]. One of the trends in the fashion world that is well-known among Gen Z is streetwear fashion. Streetwear is a style of relaxed apparel which became worldwide during the 1990s [4]. It developed from New York hip hop and Californian surf culture to envelop components of

activewear, skateboarding, troublemaker, and Japanese street fashion style [5]. Streetwear fashion regularly fixates on casual style and comfortable pieces, for example, T-shirts, jeans, baseball cap, and sneakers [6].

Exploring consumers' buying intentions is important because with a better understanding of young consumers, companies will be able to develop more effective and efficient marketing plans to reach more targeted markets [7]. When talking about local products, it is certain that product locality is the main thing that influences consumers' purchase intentions [8]. In terms of quality, perceived quality is also one of the main drivers of consumer purchase intentions. Perceived quality provides benefits to consumers as "a reason to buy by differentiating a brand from competing brands, namely between local brands and foreign brands" [9]. Purchase intention can also be influenced by emotional value. Apart from being driven by quality, more and more buyers are buying products or brands to fulfill their emotional needs as well. Buyers who are satisfied may repurchase similar products even though they are given a different choice [10].

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Consumer Ethnocentrism

Shimp and Sharma [11] defined consumer ethnocentrism as "the beliefs held by consumers about the appropriateness and morality of purchasing foreign-made products". According to Spillan et al. [12] consumer ethnocentrism can be defined as "a means of differentiating consumer groups who prefer domestic goods over imported goods." Based on the definition above, it can be concluded that consumer ethnocentrism is a perception of consumers who prefer to buy a product that comes from their own country compared to products from other countries. Consumer ethnocentrism entered the field of marketing when it was proposed to be one of the potential factors that could influence and build consumer behavior [13]. It has been considered as human nature that can influence consumer options in assorted purchasing circumstances [14].

2.2. Perceived Quality

The definition of perceived quality according to Keller [15] is "the customer's perception towards the overall quality or superiority of product and services rather than the alternatives and its relation to its purpose." Shahid, Hussain, and Zafar [16] stated that "perceived quality means how much a brand fulfills the expectations of its consumers". In this study, perceived quality is defined as consumer's impression of the quality of a product based on the perceived stimuli about the product. Perceived quality is not creating attributes but creating abstract perceptions at a higher level, and refers to consumers' subjective judgments about the overall superiority of the brand or its superiority [7].

2.3. Emotional Value

According to Sweeney and Soutar [17] emotional value is "the utility derived from the feelings or affective states that a product generates." While Kato and Tsuda [18] stated that emotional value indicates to "the value that the customer himself/herself finds additional meaning in the product beyond the function described in the specification of the catalog". Hence, it can be concluded that emotional value is associated with feelings, namely positive feelings experienced by customers toward a product where the product provides additional meaning.

2.4. Purchase Intention

According to Kotler and Keller [19] purchase intention is "consumer behavior when the consumer is stimulated by external factors and comes along to decide on purchases based on their personal characteristics and processes decision-making." Mahadi and Sukati [20] stated that "purchase intention means a consumer prefers to buy a product or service because he/she finds that he/she needs a particular product or service, or even attitude towards a product and perception of

product." In this study, purchase intention is defined as an internal urge to buy and obtain a product with the process of evaluating the product before purchasing the product.

2.5. The Impact of Consumer Ethnocentrism on Purchase Intention

The tendency of consumers to buy locally made goods rather than foreign products is known as consumer ethnocentrism [21]. This conceptual phenomenon causes purchasing decisions that depend not only on price and quality but also on the criteria from which the product originates [22]. "Consumers with a high level of ethnocentrism are unlikely to buy foreign products." [11] In a study conducted by Karoui and Khemakhem [23] on the Tunisian people, it was found that their ethnocentrism always had a positive impact on the purchase intention of domestic products regardless of the conditions. Thus, when consumer have higher ethnocentric attitude, the higher the consumer's intention to purchase local products over imported products.

H1: Consumer ethnocentrism has a positive impact on purchase intention to buy local brand streetwear products in Generation Z in Jakarta.

2.6. The Impact of Perceived Quality on Purchase Intention

One of the important things that can influence consumers' buying intentions is the perception of quality because every consumer would want to buy a good quality product. Consumers tend to be more willing to buy local products if they think local products are of good or high quality. Perceived quality will have a positive impact on the intention to buy local products for consumers in developing countries [24]. In a study conducted by Shwastika and Keni [25] proved that "perceived quality has a positive effect on purchase intention". Consumers who have a good perception of the quality of a product can increase their intention to buy the product [25].

H2: Perceived Quality has a positive impact on purchase intention to buy local brand streetwear products in Generation Z in Jakarta.

2.7. The Impact of Emotional Value on Purchase Intention

The emotional value obtained from a product or brand can affect consumers' buying intentions. Therefore, in the world of marketing, emotional value is one of the values used to develop marketing strategies [26]. Asshidin, Abidin, and Borhan [9] suggest that emotional value is "considered a significant positive predictor of Malaysian consumers' buying intentions for American and local products". Emotional value is a good predictor in predicting the relationship with purchase intention among consumers. In the research conducted by Kumar et al. [27] proved that emotional value is a significant predictor and plays a critical role in forming Indian consumers' purchase intention toward an apparel brand.

H3: Emotional Value has a positive impact on purchase intention to buy local brand streetwear products in Generation Z in Jakarta.

2.8. Research Model

On the basis of existing literatures, this study proposes a model that could be seen in Figure 1 below. There are three independent variables which are consumer ethnocentrism, perceived quality, and emotional value that are hypothesized to have a positive impact on the dependent variable which is purchase intention.
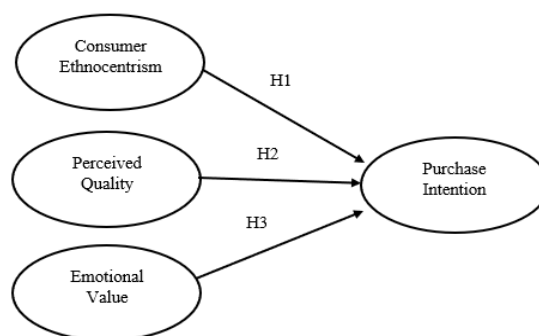
Figure 1 Research Model

3. RESEARCH METHODOLOGY

To investigate the proposed model, a descriptive cross-sectional method was used. The population is Generation Z (age range 9-24 years) living in Jakarta. The samples were collected using non-probability convenience sampling technique. Information was collected using online questionnaire which was distributed in November 2021 to consumers who is familiar with local brand streetwear. In total of 200 responses obtained, there are 3 responses that didn't pass the screening questions leaving 197 responses that can be used to conduct the statistical analysis. The questionnaire consists of 20 indicators to measure each variable that are presented in Table 1. A 5-point Likert Scale was used to measure both independent and dependent variables, with the criterion of 1 as "strongly disagree' and 5 as "strongly agree". This study uses Partial Least Squares-Structural Equation Modeling (PLS-SEM) to find the direct and indirect effect of independent variables towards the dependent variables. PLS-SEM was conducted with the software SmartPLS v3.2.9.

Table 1 Variables and Indicators

Variable	Item	Adapted From
Consumer Ethnocentrism	8	Shimp & Sharma (1987) [11]
Perceived Quality	3	Dodds et al. (1991) [28]
Emotional Value	4	Sweeney & Soutar (2001) [17]
Purchase Intention	5	Lee at al. (2008) [29]

4. RESULTS AND DISCUSSIONS

The samples obtained have the majority of 59.4% women, 70.6% respondents have their last education in high school, 45.1% have the age 21 years, 83.7% are students, 57.9% live in Jakarta Barat, 42.6% expenses are between Rp. 1.000.000 - Rp. 2.000.000, and 51.3% chose local brand streetwear product because the quality is good. Convergent validity was measured with AVE and loading factor. The AVE and loading factor score should be bigger than 0.5 (> 0.5) [30]. Discriminant validity was measured with the criterion of Heterotrait-Monotrait (HTMT) Ratio which must be below 0.9 (< 0.9) [31] and Fornell-Larcker criteria that based on the AVE value where each construct must be greater than the highest correlation with other constructs. The value of AVE, factor loadings, HTMT and Fornell-Lacker for all indicators is greater than the minimum value that must be met. After all indicators are declared valid then a reliability test was conducted to evaluate the consistency and stability of the instrument [32] by looking at the score of Cronbach's Alpha and composite reliability that should be above 0.7 (> 0.7) [33]. All indicators in this study have met the requirements. It can be seen in table 2 findings from PLS-SEM outer model analysis proved that all indicators used is valid and reliable.

After the analysis of the outer model has met the requirements, the next step is to analyze the inner model. It can be seen that the coefficient determination (R^2) of purchase intention is 0.532 which

means that 53.2% of purchase intention can be explained by consumer ethnocentrism, perceived quality, and emotional value. Then, the remaining 46.8% can be explained by other independent variables that are not taken to be examined in this study. Next step is blindfolding procedure that was conducted to measure the predictive relevance (Q^2) value. The value of 0.315 of Q2 indicates that the variables in this study have strong predictive relevance and can predict the research model. Moreover, all variables in this study have the smallest effect (f^2) as a predictor.

Finally, hypothesis testing was conducted with confidence interval of 95%. The minimum significant value on t-statistic is > 1.96 and p-value is < 0.05. Hypothesis can be supported if t-statistic value below 1.96 and p-value ranges below 0.05. Thus, if the score is higher than that, the hypothesis will not be supported. As presented in table 3 that consumer ethnocentrism, perceived quality, and emotional value have a significant effect on purchase intention. Besides, the path coefficient value indicates that all independent variables in this study have a positive influence on purchase intention. That means all hypotheses in this study are accepted.

Table 2 Measurement & Structural Model Assessment Results

Variable	Indicators	Loading Factors	AVE	Cronbach's Alpha	Composite Reliability	R^2	Q^2	f^2
Consumer Ethno-centrism	CES1	0.800	**0.573**	0.892	0.914	-	-	0.055
	CES2	0.857						
	CES3	0.821						
	CES4	0.678						
	CES5	0.781						
	CES6	0.648						
	CES7	0.734						
	CES8	0.714						
Emotional Value	EV1	0.773	**0.706**	0.860	0.905	-	-	0.082
	EV2	0.887						
	EV3	0.859						
	EV4	0.837						
Perceived Quality	PQ1	0.870	**0.705**	0.842	0.905	-	-	0.141
	PQ2	0.899						
	PQ3	0.846						
Purchase Intention	PIN1	0.693	**0.607**	0.837	0.885	0.532	0.315	-
	PIN2	0.800						
	PIN3	0.798						
	PIN4	0.836						
	PIN5	0.760						

For the first hypothesis, the test shows that H1 is supported by the data. This finding supports previous research which showed that consumer ethnocentrism affects purchase intention positively and significantly [23] [24]. The higher the ethnocentric attitude of a consumer, the more the consumer's intention to choose and buy local streetwear products over imported products. Consumers with a high ethnocentric attitude will choose products from their own country, even if the quality is lower than foreign-made products. Another study conducted by Karoui and Khemakhem [23] on Tunisian people's buying intentions found that although Tunisians are not highly ethnocentric consumers, their ethnocentrism always has a positive impact on their buying intentions for domestic products.

Then for second hypothesis, the test shows that H2 is supported by the data. This finding supports previous research which showed that perceived quality influences purchase intention positively and significantly [9] [24] [25]. Thus, it can be concluded that consumers who have a positive or good impression of quality on local streetwear products can increase the consumer's

intention to make a purchase. Consumers tend to be more willing to buy local products if they think local products are of good or high quality. The results of the analysis of this study are also in line with previous research conducted by Shwastika and Keni [25] which examined consumer buying intentions in the fashion industry and it was proven that perceived quality had a positive and significant effect on purchase intentions.

Finally, for the third hypothesis, the test shows that H3 is supported by data. This finding supports previous research which showed that emotional value influences purchase intention positively and significantly. [9] [27]. The better or happier a consumer feels, the greater the consumer's intention to buy a product. Thus, it can be concluded that the more pleasant the feelings that consumers may experience toward local products, most likely consumers buy local streetwear products over imported products. This finding follows Kumar et al. [27] study which also found that emotional value has a significant and positive influence on consumers' buying intentions. The study stated that emotional value drives Indian consumers' buying intention and they are more oriented towards emotional value in shopping.

Table 3 Path Coefficient Test Results

Hypothesis	Path Coefficient	t-Statistics	*p*-Value	Results
Consumer Ethnocentrism → Purchase Intention	0.206	2.373	0.018	Significant
Emotional Value → Purchase Intention	0.280	3.074	0.002	Significant
Perceived Quality → Purchase Intention	0.357	4.648	0.000	Significant

5. CONCLUSIONS & IMPLICATIONS

Based on data analysis, it can be concluded that consumer ethnocentrism, perceived quality, and emotional value positively affect consumers' purchase intentions.

In the competitive fashion industry, it is important for marketers to know the trends and needs of young consumers from Generation Z who tend to always follow the latest trends. So that producers can be more creative and innovative in creating high quality products so that they can attract young consumers to buy and support local products and love local products more. Therefore, marketers need to create quality products so that they can attract consumers to buy local products and be prouder of domestically-made products. Product quality can be improved in terms of color strength and product durability. Local producers can add a choice of materials that are not easy to fade, are more durable, and use materials that are more environmentally friendly, such as tencel fabric.

For the academic community, the findings in this study can add references to related research. In addition, this research provides a better understanding of consumer behavior, especially Generation Z, towards streetwear fashion trends.

6. LIMITATION AND SUGGESTION FOR FUTURE RESEARCH

This research can be said to be far from perfect and there are still limitations. First, this study uses only an amount of 200 samples in Jakarta thus it is recommended for future research to use bigger sample respondents in order to obtain more optimal results and expand the scope of the research area so that research can be more varied and can provide benefits and insights for readers. Second, the variables used in this research are limited only to consumer ethnocentrism, perceived quality, and emotional value to predict its impact on purchase intention. Hence, it is recommended for further research to explore other independent variables that have not been studied in this study which have the potential to influence consumer purchase intention such as brand awareness, word of mouth, social influence, and lifestyle.

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