Purchase intention toward sustainable fashion brand: analysis on the effect of customer awareness on sustainability on willingness to pay

Siauw Gabriella Tiffany Wijaya¹ and Eristia Lidia Paramita¹

¹Department of Management, Faculty of Economic and Business, Universitas Kristen Satya Wacana, Indonesia

Abstract

Customer awareness of sustainable products has increased very rapidly during the last few years. This phenomenon has encouraged international fast-fashion brands to develop a new line which is a more sustainable line. This paper aims to examine the effect of customer awareness on sustainability and willingness to pay on purchase intention toward sustainable fashion brands. This study obtained 211 respondents with the sampling method of purposive sampling with the criteria as follow: (1) Men and women who are Indonesians, (2) Men and women who enjoyed clothes-shopping at international fast-fashion brands stores, also (3) Men and women who aged 15 – 36 years old. Multiple regressions were used as a method to conduct hypotheses test of this study. The findings of this study stated that sustainability movement awareness and willingness to pay contributes a positive and significant effect towards the purchase intention of Indonesian customers. Furthermore, this study has found that the Indonesian market is already very aware of the sustainability movement and the concerns toward environmental health.

Keywords

customer awareness; willingness to pay; purchase intention; sustainable fashion

INTRODUCTION

Alongside acknowledging the industrial waste produced by industries, the awareness of people worldwide towards environmental and health issues also increased. Environmental awareness itself has proliferated during the 20th century, from a small acknowledgment into acknowledging every aspect of it and ways to overcome the issues in a brief time (Vallero, 2018). The acknowledgment of environmental issues leads to changing people’s ideology, paradigm, and beliefs towards the world (Cohen, 2015).

In response to the growth of environmental awareness, the demand for sustainability in the production process and action from many industries and goods that are environmentally responsible has increased rapidly according to the paradigm shift. Thus, companies worldwide have tried to focus more on achieving sustainability broadly, whether in the product or the product’s production cycle (Dangelico & Vocalelli, 2017; Kim, Taylor, Kim, & Lee, 2015). This study will focus on discussing sustainability in the fast-fashion industry.

Therefore, to respond to the recent growing awareness of sustainability, fast-fashion brands are trying to produce more environmentally friendly products called sustainable fashion (Holgate, 2019). In adopting sustainable fashion, fast-fashion brands also face many challenges because customers are hungry for a good design with a low price. At the same time it is hard to achieve when adopting the sustainable fashion (Gwilt & Rissanen, 2011).

According to the previous studies (Henninger, Ryding, Alevizou, & Goworek, 2017; Min Kong & Ko, 2017), customers’ view towards sustainability in fashion is still relatively low compared to the other fields. Thus, resulting in the growing assumption that sustainable fashion is an overpriced product with low quality (Han, Seo, & Ko, 2017). Thus, by seeing the challenges faced by fast-fashion brands, this study will analyze whether Indonesian customers are aware of sustainable fashion and their actions or attractions towards sustainable fashion with the indicators that affect purchase intentions. According to studies (Fu & Elliott, 2013; Younus, Rasheed, & Zia, 2015), the knowledge and awareness towards sustainability affect the customers’
purchase intention. Moreover, price is also one of the most important indicators of whether the potential customers are willing to purchase the product at the given price or vice versa (Ciasullo, Maione, Torre, & Troisi, 2017; Erdil, 2015). Thus, the following research questions are as follows: (1) Does the awareness of sustainable fast fashion encourage consumer willingness to purchase the products?; and (2) Does the willingness to pay have a significant positive effect on customer purchase intention?.

The findings of this study will contribute to helping international fast-fashion industries in understanding the preferences of Indonesian customers regarding sustainable fashion. The author of this study also hopes that this study will complete the limitations of the previous studies. Moreover, with the hope that the result of this study contains valuable information regarding the topic, the author hopes that this research will be able to contribute to future studies.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Sustainability and sustainable fashion

Sustainability refers to providing positive impacts or reducing negative impacts regarding the whole production process for three aspects: environment, economic, and social (Kumar, Rahman, Kazmi, & Goyal, 2012; Lee, Bae, & Kim, 2019). Sustainable fashion is a term that has been used since the 1990s. However, it is stated that the development of sustainable fashion has grown very rapidly over the years since the launch of the first sustainability program for fashion companies by Copenhagen Fashion Summit in 2009, and the term has been frequently used since (Remy, Speelman, & Swartz, 2016).

Being sustainable means that the fashion brand should be responsible for the three aspects mentioned before in either the production or the final goods itself (Mukendi, Davies, Glozer, & McDonagh, 2020). However, not many customers are aware that the term sustainable doesn’t only apply only to the environment (Hill & Lee, 2012). The customers are more aware of the fact that sustainability means that the goods are better for the environment, neglecting the social aspects of being sustainable, including child labor and working conditions (Henninger, Panayiotis, & Alevizou, 2009).

Fast-fashion

From its low price to the up-to-date goods to fashion trends, people won’t hesitate even a little bit to purchase the product, fast-fashion is a very familiar term for customers (Hall, 2018; Joy, Sherry, Venkatesh, Wang, & Chan, 2012; Rauturier, 2018). Fast-fashion brands are demanded to produce clothes according to seasons and styles made by luxury brands. The speed, greater variety, and limited editions are also the indicators that would attract customers to buy the clothing produced (Ozdamar Ertelk & Atik, 2015). Thus, a look-alike luxury fashion brand’s clothing with a lower price would be the best description of fast fashion (Joy et al., 2012).

The fast-fashion industry is the epitome of unsustainability. The whole production process is equal to increasing ethical and environmental issues (Cimatti, Campana, & Carluccio, 2017; Mcneill & Moore, 2015; Pal, 2017). Due to the high demand, the fast-fashion production process contributes lots of waste to the environment. Moreover, studies stated that final goods of fast-fashion production are not durable due to the low-cost material used in the production process and the rapid change of consumer taste (Hall, 2018; Joy et al., 2012).

Purchase intention

Purchase intention is formed when customers are contemplating whether they should purchase the products or services related to customers’ preferences and tastes regarding the product and services (Chang & Wildt, 1994; Younus et al., 2015). Thus, purchase intention plays a significant role as a main driver in the purchasing process, affecting the purchase intention greatly (Hsu, Chang, & Yansritakul, 2017).

A study done by (Jung & Jin, 2016) found that a higher perceived value of the goods will enhance customers’ purchasing intention. By conducting the research, it is stated that customers who have a high perceived value towards social-environment, quality, and price would be most likely to purchase the sustainable products. Thus, this study will focus on the main internal and external factors that affect purchase intention, which are product knowledge on sustainable fashion and product price.
Customer awareness on sustainability and purchase intention toward sustainable fashion product

Previous studies (Jayachandran, Hewett, & Kaufman, 2004; Younus et al., 2015) argued that knowledge of the product by customers is one of the leading indicators that may significantly affect customers’ purchase intention. Moreover, another study strengthened the argument by stating that when customers are aware of the products, the judgment and attraction towards the product will be different from when customer awareness of the product is low (Hwang & Lee, 2019). In contrast, the barrier would arise when customers lack knowledge regarding the product (Bonini & Oppenheim, 2018). Thus, in sum, if customers have a better understanding of the term sustainability or environmentally friendly products, the customers would be more attracted towards sustainable fashion and will most definitely purchase the goods (Lee et al., 2019).

Therefore, this study develops the hypotheses stated below in response to our curiosity towards the relationship between consumer product knowledge and sustainable fashion purchase intention. The hypothesis is as follow:

**H1:** The awareness towards sustainable movement by fast-fashion international brands is affecting consumer purchase intention.

Willingness to pay and purchase intention toward sustainable fashion product

Price is one of the critical attributes that would affect consumer purchasing intention (Erdil, 2015). The price of the goods should be attractive to customers to be able to have a positive effect on the purchase intention (Büyükdağ, Soysal, & Kitapci, 2020). Moreover, several previous studies stated that there are many challenges faced by sustainable fashion, including the higher price of the final products (Bonini & Oppenheim, 2018; Mcneill & Moore, 2015). Thus, customers may not be able to purchase the products even though they are willing to do so. The statement was strengthened by a previous study (Legere & Kang, 2020) which stated that the intention from customers to pay more for the product is as essential as purchasing intention. In response to the fact that price acts as a barrier to customers’ intention of purchasing sustainable products, other study conducted a research on the topic and found that people are willing to pay a higher price for sustainable products (Ciasullo et al., 2017; Prakash & Pathak, 2017).

We attempts to examine the effect of sustainable fashion pricing on customers, especially Indonesian customers. Based on the argument that price is likely to affect customers’ purchase intention of sustainable fashion, the second research hypotheses is formulated as follows:

**H2:** Willingness to pay more for sustainable fashion products affects customers’ purchasing intention.

METHODS

Population and sample

The population of this study was the whole citizen of Indonesia who enjoyed clothes shopping at international fast-fashion brands stores. According to (Legere & Kang, 2020), younger generations, known as millennials and Generation Z, have better concerns and higher interest regarding sustainability-related issues. Thus, this study adopted the purposive sampling technique. Thus, the criteria for the sample were: (1) Men and women who are Indonesians; (2) Men and women who enjoyed clothes shopping at international fast-fashion brands stores; and (3) Men and women aged 15 – 36 years old.

The data for this study was obtained through spreading questionnaires in an online platform which is the google form. The questionnaires adopted multiple-choice questions and scaled questions type of questionnaire. The sample of this research was 211 people varied from all across Indonesia.

Measurements

The measurements of variables used in this research are adopted from the previous studies. The measurement for customer awareness on sustainability was divided into 2 dimensions. The first dimension is environmental concern which measured using the adjusted indicators from Kim et al.
The indicators are:

1. Customers’ thoughts on environmental damage; 
2. Customers’ concern; 
3. Customer knowledge regarding sustainable fashion; 
4. Customers’ preferences on purchasing products from companies which concern about environmental damage or labor welfare.

The second dimension is regarding the fast-fashion brands consumption. The indicators used to measure the items are:

1. Customers’ buying rate; 
2. Customers’ preferences when purchasing clothes; 
3. The awareness of the damage caused by fast-fashion brands; 
4. The thoughts on sustainable fashion movement (Bick et al., 2018; Mrad, Majdalani, Cui, & El Khansa, 2020; Park et al., 2017) with adjustments.

The variable of willingness to pay was measured using the adjusted indicators from several authors, which are: Kordshouli et al. (2015); Prakash & Pathak (2017); and Younus et al. (2015). The indicators are:

1. Price as an important indicator in purchasing clothes. 
2. The willingness to pay extra for the goods. 
3. The pride after purchasing sustainable fashion product even at a higher price.

The purchase intention was measured by 4 indicators which is taken from Table 1.

(2015); Lee et al. (2019); and Park et al. (2017). The indicators are: (1) Customers’ thoughts on environmental damage; (2) Customers’ concern; (3) Customers’ knowledge regarding sustainable fashion; and (4) Customers’ preferences. The second dimension is regarding the fast-fashion brands consumption. The indicators used to measure the items are: (1) Customers’ buying rate; (2) Customers’ preferences when purchasing clothes; (3) The awareness of the damage caused by fast-fashion brands; and (4) The thoughts on sustainable fashion movement (Bick et al., 2018; Mrad, Majdalani, Cui, & El Khansa, 2020; Park et al., 2017).

The variable of willingness to pay was measured using the adjusted indicators from several authors, which are: Kordshouli et al. (2015); Prakash & Pathak (2017); and Younus et al. (2015). The indicators are: (1) Price as an essential indicator in purchasing clothes; (2) The willingness to pay extra for the goods; and (3) The pride when purchasing. The purchase intention was measured by 4 indicators which is taken from Table 1.
from Ahmad & Zhang (2020); Park et al. (2017); Prakash & Pathak (2017); Younus et al. (2015). The indicators are: (1) The intention of purchasing products; (2) Customers’ plan to purchase continuously; (3) The pride after purchasing sustainable fashion product even at a higher price.

Likert-scale was used to measure the feelings or preferences of the respondents regarding the effect of the independent variables to the dependent variables of this research. The scales were varied from 5 to 1, where 5 referred as Strongly Agree and 1 as Strongly Disagree.

Analysis technique

This study contained two independent variables and one dependent variable: customers’ awareness of sustainability and willingness to pay towards consumer purchase intention. This study analyzed the data with multiple regressions tests. The multiple regressions method consisted of a classical assumption test, which consisted of normality test, multicollinearity test, glejser test, and the regression test itself.

Respondents characteristics

This study took Millennials as the sample, which (Legere & Kang, 2020) has suggested by stating that Millennials is the generation whose awareness towards sustainability is the highest. There are 211 respondents of this study which age varies from 15 to 30. Since women are usually the ones who spend more and enjoy shopping, this study decides to approach more women to men. Thus, the respondents of this study are primarily women with a percentage of 68%, and the rest is men. Furthermore, most of the respondents of this study are mostly aged between 20-24 years old, which are mostly university students. Even though this study spread the questionnaires across Indonesia, most of the respondents reside in Tangerang and Jakarta, which is quite a benefit because Jakarta and Tangerang have the most international fast-fashion brand outlets in the city.

RESULTS AND DISCUSSION

Pre-test

Before conducting the classical assumption test or multiple regressions tests, it is suggested to conduct a pre-test that includes reliability and validity. This study conducted the validity and reliability test on 30 respondents to ensure that the data collected from questionnaires are reliable and valid for this study to analyze. The first test conducted was the reliability test. The test results proved that the data is approved to conduct the next test as the Cronbach’s Alpha (α) is greater than the value of 0.60.

The next to be conducted after the reliability test is the validity test. The data will be proven valid when the value of \( r_{xy} \) is greater than \( r_{table} \) product moment. The \( r_{table} \) product moment for \( n = 28 \) is .3061. Thus if \( r_{xy} > 0.3061 \), the data is considered as valid. The validity test results state that the data is proven to be valid since the value of \( r_{xy} > 0.3061 \). In conclusion, the data is proven to be valid and reliable and used 26 empiric indicators. Thus, this study is approved to conduct classical assumption tests and multiple regression tests.

Multiple regressions test

Table 2. Hypotheses testing

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
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<td>1.520</td>
<td>-0.023</td>
<td>.982</td>
</tr>
<tr>
<td>Customers’ awareness on sustainability</td>
<td>.928</td>
<td>.114</td>
<td>.480</td>
<td>8.151</td>
</tr>
<tr>
<td>Willingness To Pay</td>
<td>.204</td>
<td>.035</td>
<td>.339</td>
<td>5.756</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention

The method used by this study to analyze the hypotheses is the multiple regressions
test. The purpose of doing this test is to verify the influence of customers' awareness on sustainability (X1) and willingness to pay (X2) on customer's purchase intention. The result of the test can be seen on Table 1.

The table shows that customers' awareness of sustainability will affect purchase intention as much as 0.204, willingness to pay will affect as much as 0.928. Moreover, as seen from Table 1, the value of Adjusted R^2 is 0.492, which can be interpreted as 49.2% of customers' purchase intention influenced by customers' awareness of sustainability and willingness to pay. Meanwhile, 50.8% of customers' purchase intention is influenced by other variables not included in this research. Furthermore, the result of F test obtained from the ANOVA table is 92.152 is greater than F table (92.152 > 3.04), leading to the statement of which H0 is rejected and Ha accepted. Thus, it can be said that customers' awareness of sustainability and willingness to pay affect customer's purchase intention.

Discussion

The first research question of this study is to know whether the Indonesian market is aware of the damage made by fast-fashion industries and sustainable fashion itself. It can be seen from the average value of the indicator empiric of the statement. It stated that Indonesian customers are aware of the damage made by fashion industries, that most customers are aware of the problem, which score is 3.9951. Moreover, when the customers are asked whether they are aware of sustainable fashion or vice versa, most customers are aware of the term and concept (with the mean value of 4.0777 and 3.9078). Thus, to answer the first research question, it can be said that the Indonesian market is already aware of sustainable fashion. Thus, this statement also answered the suggestion from the previous author (Min Kong & Ko, 2017) to analyze other regions aside from countries in East Asia.

It can be said that the hypothesis of this study (H1) is supported where customers' awareness on sustainability has a positive effect on customer's purchase intention. The statistics of T-test result shows that the value of customers' awareness on sustainability (X1) towards customer's purchase intention is greater than T table (5.756 > 0.67581). In addition, the value of the beta coefficient of customers' awareness on sustainability is positive at 0.204. 68% of women respondents stated that they are aware of the sustainable movement, which can be seen on the average value of empiric indicators (which has an average score 3.6124). Moreover, most respondents who age are varied from 20-24 also agreed that they have a willingness to purchase the sustainable line from international fast-fashion brands. The most purchased brand is H&M. The result of this research is in line with the statement made by previous authors (Fu & Elliott, 2013; Min Kong & Ko, 2017; Younus et al., 2015) which stated that the sustainability movement made by the fashion companies, especially when the customers are aware, will affect the purchase intention in a positive way. Thus, it answers the second research question by stating that the awareness encourages customers' willingness to purchase sustainable fashion.

From the statistic of the T-test result, it can be seen that the value of willingness to pay (H2) towards customers' purchase intention is greater than the value of t table (8.151 > 0.67581). Furthermore, the value of the beta coefficient of willingness to pay obtained from the multiple regression test result is positive at 0.928. The test results explained lead to the statement where the hypothesis of this study (H2) is accepted where willingness to pay influences customer's purchase intention positively. The respondents of this study, whose ages are mostly 20-24 agreed that they are willing to purchase sustainable line by international fast-fashion brands even at a higher price, which can be seen on the average value of the empirical indicator value is 3.5194. The result of the second hypotheses test is in line with the statements made by previous authors (Ciasullo et al., 2017; Park, Lee, & Koo, 2017), which stated that customers are willing to pay a higher price for sustainable goods. This study also confirms that product knowledge and a higher price also affect purchase intention of the sustainable line of international fast-fashion brands.

Since Indonesians are already aware of sustainable fashion, the awareness of the damage of the fashion industry by fast-fashion brands and sustainability has driven Indonesian customers to have the intention to purchase sustainable fashion even at higher prices. Product knowledge is critical as it affects other factors such as higher
prices. If the customers are aware of the products’ value, they will understand why the product has a higher price. Thus, it can be concluded that Indonesian customers are willing to spend more money for sustainable fashion goods that are more responsible for environmental, social, and economic aspects.

CONCLUSION

This study has analyzed whether the customers’ awareness of sustainability can be classified as product knowledge and willingness to pay affects the purchase intention towards sustainable line offered by international fast-fashion brands. The analysis has stated that both variables have a positive and significant effect on customers’ purchase intention.

This study provides several implications of the research, which are academic implications and practical implications. The first one is academic implications, which are as follows. The research conducted by this study is based on the key indicators of sustainable marketing, which are economic, social, and environmental. Thus, this study’s findings stated that the Indonesian market customers are moving towards the environmental aspect of sustainable marketing can be a subject to be analyzed in further studies. This study also finds that product knowledge and price have a significant positive effect on purchase intention, which are in line with the statement made by a previous study (Fu & Elliott, 2013; Prakash & Pathak, 2017). It can be concluded that both customers’ awareness of sustainability and willingness to pay have positive influences on purchase intention.

The second implication is practical implications. Since the findings of this study stated that customers’ awareness on sustainability and willingness to pay have a positive significance effect towards purchase intention, although not all customers are aware. Thus, it is suggested for the companies to section the marketplace as needed. Moreover, to sell their sustainable products, companies should be able to spread the awareness of sustainable fashion to the Indonesian market. Suppose fast-fashion brands can deliver the sustainable movement in a way that can also educate the citizens of Indonesia. In that case, it will be easier to attract customers to buy the goods the companies produced (Lee, Bae, & Kim, 2019). In addition, Indonesian customers are attracted to on-going trends, such as what happened on the awareness of the danger of plastics for the environment (travel, plastic). Thus it is better if fast-fashion companies can make a trend from their sustainable movement. Also, the Indonesian market is already willing to pay more money for sustainable goods for both environment and society. Thus, it can be a green light for international and local fast-fashion brands to move towards sustainability. At last, this study concluded that customers’ awareness on sustainability and willingness to pay has a significant positive effect on the customers purchase intention regarding sustainable lines provided by international fast-fashion brands.

The limitations of this study are that this study only focuses on the Indonesian market and two variables, such as customers’ awareness of sustainability and willingness to pay. Moreover, it is stated that only 49.2% of purchase intention is affected by the variable of this study. Thus, it is expected from future studies to broaden the horizon of the research on many countries aside from Indonesia and add new variables that may have a significant effect on purchase intention that is not yet listed in this study. The variables include product packaging, celebrity endorsement, product value, and many more (Younus et al., 2015).

REFERENCES


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