The Impact of Fast Fashion Elements on Female Consumer Buying Behavior
(A Study Case of H&M Grand Indonesia Shopping Town)

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Abstract

The purpose of this research is to examine the impact of fast fashion elements on female consumer buying behavior of H&M fashion store in Jakarta. Fast fashion elements used comprise of price, enhanced design and quick response which impact to buying behavior. A survey will be conducted on 80 female consumers aged between 16-30 and ever bought H&M product in Grand Indonesia Shopping Town, Jakarta. The sampling method of this research is non-probability technique with judgmental sampling. This study uses SPSS (Statistical Package for Social Sciences) version 20.0 to check the statistical analysis of the data. Stepwise selection, the most popular method, combines forward and backward sequential approaches researcher used multiple linear regression analysis and doing the stepwise selection method to prove the hypotheses of this research. The result found that only two independent variables impact on consumer buying behavior (quick response and price) while enhanced design removed from the equation. Based on adjusted R^2 there are 26% quick response and price explain consumer buying behavior. This study recommend for future research to larger the scope to all gender with all H&M stores located throughout Indonesia to get better result.

Keywords: fast fashion, price, enhanced design, quick response, consumer buying behavior

1. Introduction

Business activity has redefined global opportunity. Today's rapid rise of emerging economies means this view is no longer tenable, business now flows in both directions and increasingly from one developing economy to another. For the last 50 years, the globalization of business has primarily been interpreted as the expansion of trade from developed to emerging economies (Kluyver, et.al, 2012). The globalization of the world is constantly increasing and the boarders between countries in the world lead to many companies now cooperate in one huge global market. This has resulted in an enlarged amount of international companies acting in a global environment (Stigliz, 2007). Doing business internationally, however, has many advantages. But still has some drawbacks. One of the disadvantages is the higher level competition compared with domestic business.

The competition is especially high in fast moving industries which are represented by short life cycles and consumer demand that change over weeks or even nights (Sheridan et al, 2006). One of the fast moving industries is a fashion industry which characterized by short product life cycles, high volatility, low predictability and high impulse purchasing (Hansson, 2011). In the fashion industry, it was found that fashion clothing involvement was related highly to personal characteristics such as female and younger and fashion knowledge, which in turn influenced consumer confidence in making purchase decision (Vieira, 2009).

The fast fashion concept has become a key factor for many fashion companies in the last decade. Fast fashion, means low-cost clothing collections based on current, high-cost luxury fashion trends, by its very nature, a fast-response system that encourages disposability (Fletcher, 2008). Fast fashion is a new term used to describe clothing collections that are based on the most recent fashion trends (Wang, 2010). It emerges in the context of that the fashion cycle is moving faster than ever before. Powered by the internet, technological innovation and globalization, the up-dated rate of fashion becomes rapid, and then turns to form new market and field, which is relatively different from the conventional fashion market. Fashion has its life cycle, so does the fast fashion. Apparently the latter has shorter cycle because it grows and consumers faster. Furthermore, trends in business may change by the influence of a generation's style. Meier (2010) found that generation Y consumers have emerged as a significant force in the global marketplace and the individuals have grown up in a consumption-driven with more spending power. This situation is also happening in fashion industry which known as fast fashion.

Fast fashion is a concept that will continue to affect the fashion apparel industry over the next decade and will have a direct effect on the way consumers buy and react to trends. Although most of researchers research on the supply side of fast fashion, emphasis should also be placed on examining consumers' perception of fast fashion. According to Fairhurst (2010), "The phenomenon of fast fashion has been extensively discussed in the fashion press. However, the existing academic literature on fast fashion is somewhat limited and calls for additional research on aspect such as factors that motivate consumers' purchase intention" which closely more into consumer's side, since the decisions in the fashion retail supply chain systems are highly consumer demand-driven (Choi, 2014).

H&M captured the large market potential of Indonesia caused by the high number of youth and fashion conscious people, H&M increased the number of outlet since it opened its first store on October, 2013 in Gandaria City. Based on above mentioned, this research is designed to examine the impact of fast fashion elements on younger female consumer buying behavior of H&M fashion store in Jakarta, focusing in Grand Indonesia Shopping Town store. Whereas, fast fashion elements will be used in this research comprise of price, enhanced design, and quick response that impact on consumer buying behavior. Furthermore, this research is focusing to female consumers with the age between 16-30 years old which usually called Generation Y.

2. Literature Review

Fast fashion is a new business model that is rapidly taking over the industry. Fast fashion firms focus on creating a large amount of inventory as quickly and cheaply as possible. Products are sold at low price with swift inventory turnover. Styles are based on the latest fads and trends , and firms rely on trend anchoring to ensure that consumers do not mind the "outright disposable" quality (Chau, 2014). Fast fashion companies thrive on fast cycles: rapid prototyping, small batches combined with large variety, more efficient transportation and delivery, and merchandise that is presented "floor ready" on hangers with price tags already attached (Skov, 2002). Admittedly, fast fashion companies do employ stables of-in-house designers more eye-catching designs lead to trendier, must-have fashions, which lure consumer into paying full price now rather than deferring gratification until the year-end-sale arrive. When faced with tight delivery demands, fast fashion companies will even use higher-cost local labor and expedited shipping methods. Finally, future financial returns will far outweigh current cost (Cachon and Swinney, 2011). Fast fashion can be defined as three elements which are price (Joey, 2011), quick response and enhanced design (Cachon and Swinney, 2011).

2.1 Consumer Buying Behavior

Consumer behavior involves the study of individuals and the method they employ to choose, utilize, and set out products and services to fulfill their wants and the effect that these method have on the consumer and the society as a whole. Consumer behavior refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answer what, why, how, when and where an individual makes purchase. As a result, the outcome of buyer behavior is the buyer's regarding the product choice, brand choice, dealer choice, purchase timing, purchase amount and purchase frequency (Khaniwale, 2015).

In this research, the researcher will only focusing on the decision making process which cover the stages of the buying process. consumer decision making process can sometimes be a complex process and consumers can rely on the information about specific products and brands and their consumer experience gathered to reach purchase decision (Doostar, Abadi & Abadi, 2012). The stages in consumer decision making process shows in Figure 1 below. Added by Hapsari (2014) mentioned that consumers do not pass through all the stages in their everyday purchase. For example in everyday commodity purchase, information search and evaluation are omitted. In other words, consumers faced with complex purchase situation pass through all this stages.
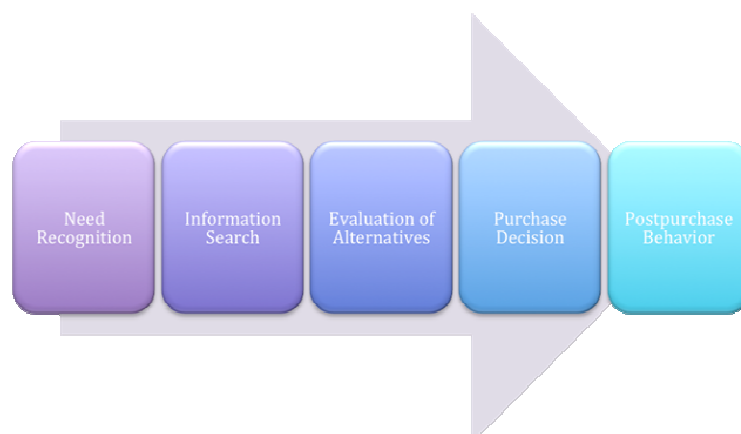

Figure 1. Stages in Consumer Decision Making Process (Kotler and Amstrong, 2012)

2.2 Price impacts on Consumer Buying Behavior

Specifically in apparel retail industry, Joey (2011) claimed that although customers like low prices, retailers cannot just depend on offering the lowest prices in the future. However, fast fashion retailers mostly sell products at affordable prices, in other words "cheap fashion" so the posted prices at different retailers are usually within the same price range. Supported by the findings from Agarwal and Aggrawal (2012) mentioned that

pricing of the product has a great impact in deriving consumer perception while shopping for apparel. The extent to which consumer's perception is effected, decides the nature of the particular consumer's buying behavior. The buying behavior in turn affects the way a consumer behaves towards a particular brand or any non-branded apparel, irrespective of the category of apparel he or she is spending on. However, price is the cost that consumer can best determine and thus plays an important role in their decision.

Many factors influence a consumer's behavior. The buying behavior of customer can be defined by price because is perceived as being the single largest indicator of value; it will impact on their perceptions of the company's offering versus that of the competition. Based on study done by Joey (2011), there are four price elements:

1. Reasonability
2. Spending budget
3. Price comparison
4. Motivation

2.3 Enhanced Design impacts on Consumer Buying Behavior

The contemporary fashion industry remains highly competitive, with additional pressure for fashion industry companies to compete not only on price but also their ability to deliver newness and "refresh" product (Greenwood, 2006). In the enhanced design system, Swinney (2011) mentioned that the production lead times are long but the firm invests in improved design efforts that result in greater value to consumers. Consequently, firms may exploit this greater willingness to pay by charging higher prices on "trendy" products than on more conservative products. Enhanced design capabilities are costly, however, there are typically fixed costs (a large design staff, trend spotters, rapid prototyping capabilities, etc.) and there may be greater variable costs (e.g., because of more labor intensive production processes or costly local labor).

Thus, as with any operational strategy, firms considering enhanced design must trade off the benefit of the strategy (greater consumer willingness to pay) with the costs (fixed and variable). As cited in Joey (2011) there are four elements of enhanced design which are:

1. Suitable design
2. Fashionable
3. Similarity
4. Product assortment

Moreover, enhanced design helps to mitigate the consumer buying behavior of later purchase by making them less willing to wait to avoid stock out and has capabilities to create products that are greater value to consumers and hence cause a greater willingness to pay (Swinney, 2011)

2.4 Quick Response impacts on Consumer Buying Behavior

According to SASEANU (2012) quick response can be defined as a state of responsiveness and flexibility in which an organization seeks to provide a highly diverse range of products and services to a customer/consumer in the exact quantity, variety and quality, and at the right time, place and price as dictated by real-time customer/consumer demand. The most significant different between quick response and more traditional apparel supply chains is the move towards collaboration and vertical integration in order to improve efficiency in the supply chain. Quick response supply chains are considered to be information driven (Greenwood, 2006). Figure 2 below is a sequence of events in the quick response systems.
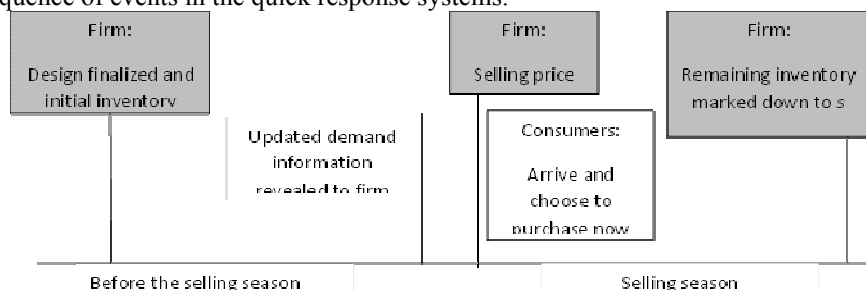

Figure 2: Sequence of Events in the Quick Response Systems (Cachon and Swinney, 2010)

Further discussion about quick response in fast fashion, Joey (2011) divided the dimension into four elements which are:

1. Suitability
2. Inventory
3. Significance
4. Trend Learning

A shorter time-to-market may enable, once some consumer preferences about certain product characteristics are known, to design and manufacture the product according to these preferences quickly enough to bring it to market before changes in preferences occur. Hence, a shorter-time-to-market would result on a reduction on the uncertainties with customer tastes (Lago, 2014).

3. Theoretical Framework

In this research, researcher will take price, enhanced design, and quick response as independent variables. These independent variables will impact to consumer buying behavior.
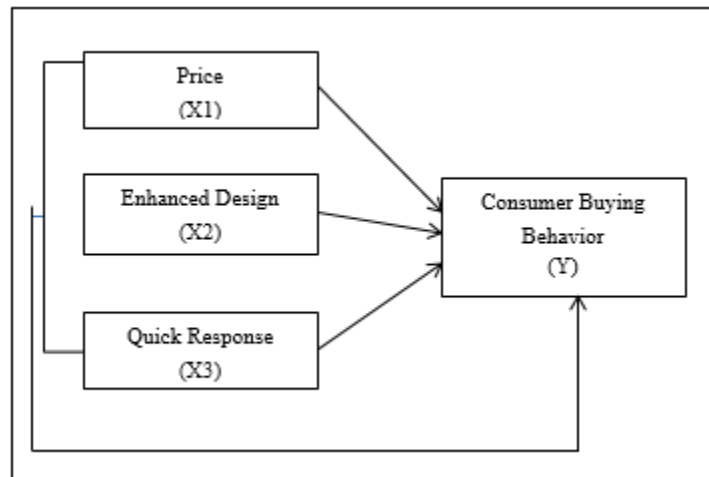

Figure 3: Theoretical Framework

4. Hypotheses

H1   : There is a significant impact of price towards female consumer buying behavior of H&M

H2   : There is a significant impact of enhanced design towards female consumer buying behavior of H&M

H3   : There is a significant impact of quick response towards female consumer buying behavior of H&M

H4   : There is a simultaneously significant impact of price, enhanced design, and quick response toward female consumer buying behavior of H&M

5. Research Methodology

This study aims to analyze the impact of fast fashion elements on buying behavior focusing on female consumer of age group 16-30 of H&M fashion store in Jakarta, focusing in Grand Indonesia Shopping Town store. In this research, researcher chooses the quantitative method as the method to provide the most accurate result of the research.

Furthermore, this research uses primary and secondary data. Primary data in this research is obtained directly from the questionnaire that used for survey. Five point Likert Scale was used to measure all the variables. The scale varies from 1 (strongly disagree) to 5 (strongly agree) for all the questions in the questionnaire. The questionnaire is divided into two sections where the first section is about demographic profile (age, occupation, monthly income and the frequency of buying H&M products). The second section is the questions that are constructed from the theory comprise of 16 questions for all independent variables and dependent variable. For the secondary data are literature studies. Data were collected by learning and selecting from previous literature studies, books, journals, and related websites.

Population in this research will be the female consumers of H&M Grand Indonesia Shopping Town that has ever bought the H&M products. For the sample size will be based on Sekaran and Bougie (2010). He mentioned on his book that the appropriate sample size in a research has to be between 30-500 respondents. Furthermore, he explains for the Multiple Regression Analysis, sample size should be 25 times independent variables. Since in this study researcher will use three independent variables, therefore this research will have samples of 80 respondents. Finally, to get the sample from the population, this research use non-probability technique with judgmental sampling. Judgmental sampling involves the choice of subjects who are most advantageously placed or in the best position to provide the information required. They could reasonably be expected to have expert knowledge by virtue of having gone through the experiences and processes themselves, and might perhaps be able to provide good data or information to the researcher.

This study uses SPSS (Statistical Package for Social Sciences) version 20.0 to check the statistical analysis of the data. Most statistical packages provide various methods for selecting variables for the equation. Stepwise selection, the most popular method, combines forward and backward sequential approaches. The

independent variable that contributes the most to explaining the dependent variable is added first. Subsequent variables are included based on their incremental contribution over the first variable and on whether they meet the criterion for entering the equation (a significance level of .05). Variables may be removed at each step if they meet the removal criterion, which is larger significance level than that for entry. Therefore, researcher used multiple linear regression analysis and doing the stepwise selection method to prove the hypotheses of this research.

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + e$$
$$CBB = B_o + B_1P + B_2ED + B_3QR + e$$

The equation above has one dependent variable CBB (Consumer Buying Behavior) and three independent variables P (Price), ED (Enhanced Design) and QR (Quick Response).

6. Research Findings

6.1 Demographic Profile

Frequency Table 1 of Demographic profile shows that total numbers of respondents were 80 respondents. According to the age group, respondents are dominated with the age between 21 to 25 years old with 53.8%. Most of the respondents in this study are students with 46.3% and having monthly income of around Rp. 4,000,001 to Rp.6,000,000 with at least every two months they spending to shop in H&M Grand Indonesia store.

Table 1 Demographic Profile of Respondents

Characteristics	Frequency	Percent
Age Group		
16-20	28	35.0
21-25	43	53.75
26-30	9	11.25
Total	**80**	**100**
Occupation		
Managerial	29	36.25
Professional (Engineer, Doctor, Designer, etc)	14	17.5
Student	37	46.25
Total	**80**	**100**
Monthly Income		
<Rp. 2,000,000	24	30.0
Rp. 2,000,001-Rp. 4,000,000	11	13.75
Rp. 4,000,001 – Rp. 6,000,000	28	35.0
Rp. 6,000,001 – Rp. 8,000,000	13	16.25
>Rp. 8,000,001	4	5.0
Total	**80**	**100**
Times to shop		
At least every three months	32	40
At least every two months	34	42.5
Every month	14	17.5
Total	**80**	**100**

6.2 Correlation Analysis

Three elements of fast fashion such as price, enhanced design, and quick response are considered for the study. The relationship was determined by Pearson correlation calculated by SPSS (Statistical Package for Social Science) Software. Pearson's Correlation is a measurement of the strength of a linear relationship between two variables.

Table 2 Correlation between Fast Fashion Elements and Consumer Buying Behavior in H&M

Fast Fashion Elements	Pearson Correlation (r)	Significance (2-tailed)
Price	.398 (**)	.000
Enhanced Design	.003	.0977
Quick Response	.476 (**)	.000

r is Pearson correlation coefficient

** Correlation is significant at the 0.01 level (2-tailed)

The analysis of the results indicates a positive relationship of fast fashion elements with consumer buying behavior. But, based on Table 2, there are only two independent variables which have significant relationship with consumer buying behavior, there are price and quick response. The result shows that quick response highly correlate with consumer buying behavior in fast fashion compared to other elements.

6.3 Multiple Regression Analysis

Table 3 below shows the regression equation for predicting the dependent variable from the independent variables:

Table 3. Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476[a]	.226	.216	.503
2	.528[b]	.279	.260	.489

a. Predictors: (Constant), Quick Response

b. Predictors: (Constant), Quick Response, Price

c. Dependent Variable: Consumer Buying Behavior

Based on result in Table 3, it explains that the independent variables which accepted the significance level criteria are only two variables, which are quick response and price. Where quick response is the most variable impact to consumer buying behavior followed by price. The adjusted R^2 for model 2 is .260 means that quick response and price explain 26% of consumer buying behavior.

Table 4. Regression Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.095	.359		5.839	.000
	Quick Response	.452	.095	.476	4.776	.000
2	(Constant)	1.554	.417		3.729	.000
	Quick Response	.359	.100	.377	3.583	.001
	Price	.234	.099	.250	2.370	.020

a. Dependent Variable: Consumer Buying Behavior

Regression coefficients for all two models are shown in table 4. The column B shows the unstandardized regression coefficients for the equation since this study is using same scale (Likert-scale). The equation now constructed as:

Consumer Buying Behavior = 1.554+.359 Quick Response+.234 Price

Table 5. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.772	1	5.772	22.807	.000[b]
	Residual	19.740	78	.253		
	Total	25.513	79			
2	Regression	7.114	2	3.557	14.886	.000[c]
	Residual	18.399	77	.239		
	Total	25.513	79			

a. Dependent Variable: Consumer Buying Behavior

b. Predictors: (Constant), Quick Response

c. Predictors: (Constant), Quick Response, Price

Table 5 explains the ANOVA result. In this table it can be seen two independent variables of quick response and price have simultaneously significant impact to consumer buying behavior with significant level of .000 which is less than .05.

From the data above researcher concludes that:

1. Independent variable price (X1) has a value 0.234 for regression linear and the value for the significant value is 0.020 less than 0.05. We can conclude that price (X1) has positive and significant impact on consumer buying behavior.
2. Independent variable quick response (X3) has a value 0.359 for regression linear and the value for the significant value is 0.001, less than 0.05. We can conclude that quick response (X3) has positive and significant impact on customer buying decision.
3. Independent variable enhanced design (X2) has not met the criteria for entering the equation; therefore this variable is excluded in the equation.
4. Two independent variables of quick response and price have simultaneously significant impact on consumer buying behavior with significant value of .000 less than 0.05

7. Conclusion

The Hypothesis 1 is accepted on this study that there is a significant impact of price towards female consumer

buying behavior of H&M in Grand Indonesia Shopping Town. This result shows that price is one of the elements in fast fashion that impact on female consumer buying behavior. Based on the theory, consumers found that price of H&M products are reasonable, within spending budget, competitive with other brands and motivates them to buy. This study has similar result with study by Joey (2011) that respondents are quite satisfied with the price of fast fashion brands.

The Hypothesis 2 is rejected on this study that there is a significant impact of enhanced design towards female consumer buying behavior of H&M in Grand Indonesia Shopping Town. This result shows that enhanced design is not significantly impact the consumer buying behavior. Based on the result, it seems that respondents on this study did not see that H&M has an acceptable enhanced design since H&M created sustainable fashion for all, hence always at the best price. As a conclusion, H&M emphasis more on reasonable price but not for enhanced design.

The hypothesis 3 is accepted on this study that there is a significant impact of quick response towards female consumer buying behavior of H&M in Grand Indonesia Shopping Town. This result supported that consumer found that there is always new arrival products in H&M and the frequency of the new arrival let them learn the latest trend. Furthermore, as mentioned in an electronic article of Serba-serbi dunia fashion, types of fashion with the fastest growing in the world is clothes. This is because the design can have faster turn on as compared to other fashion type such as handbags and shoes. Furthermore, clothes are items most widely purchased by people as compared to other products. Hence, many fashion companies compete in introducing new designs with fashionable styles.

The hypothesis 4 is accepted on this study that there is a simultaneously significant impact of price and quick response toward female consumer buying behavior of H&M in Grand Indonesia Shopping Town except enhanced design element. This result also supported by the value of Adjusted R^2 mentioned that 26% of price and quick response impact consumer buying behavior.

8. Limitations and future research

Since this research has limited time to finish, there are some limitations. The study is conducted at primary stage of fast fashion industry. The study used female of age group 16-30 as a sample however H&M not only sell female fashion but also to males, hence the result might be different. Furthermore, the scope of the study is only limited to one store in Grand Indonesia Shopping Town. If future researcher can larger the scope to all stores in Indonesia, it might create better result.

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