



CONSUMER ETHNOCENTRISM EXPLORATION OF BRAND VALUE, BRAND IMAGE, AND PRODUCT BUYING INTENTION INDONESIAN LOCAL FASHION IN GEN Z MEDAN CITY

Achmad Afriadi Trisatya¹, Yeni Absah², Beby Karina F. Sembiring³

^{1,2,3}Faculty of Economic and Business Universitas Sumatera Utara

Corresponding Email: achmadtrisatya@gmail.com

Abstract

This study aims to analyze how consumer ethnocentrism affects brand value, brand image, and the purchase intention of local Indonesian fashion products among Gen Z in the city of Medan. The type of research conducted is quantitative descriptive research. The population in this study is the Gen Z community in Medan city, with a sample of 150 respondents. The sample size was determined using the purposive sampling method. This research uses structural equation modeling (SEM) with the analysis tool SmartPLS version 3.0. The direct results of the research show that consumer ethnocentrism has a positive and significant impact on brand value; consumer ethnocentrism has a positive and significant impact on brand image; then consumer ethnocentrism has a positive but not significant impact on purchase intention. then, brand value has a positive but not significant impact on the purchase intention, however, brand image has a positive and significant impact on the purchase intention. Furthermore, indirect testing results reveal that brand value is not able to mediate the relationship between consumer ethnocentrism and the purchase intention, but brand image is able to mediate the relationship between consumer ethnocentrism and the purchase intention.

Keywords: *Consumer Ethnocentrism, Brand Value, Brand Image, And Purchase Intention*

1. INTRODUCTION

The development of globalization that has occurred has caused many changes in the development of markets and products sold in the market. Products offered by consumers are no longer limited to areas around consumers, but products from anywhere are free to offer to consumers in various parts of the world. However, globalization and free markets do not always provide benefits for all parties. One of the problems faced by local business actors with the presence of globalization is certainly increasingly widespread and very massive competition. This is in line with what was conveyed by the Minister of Cooperatives and SMEs Teten Masduki, Domestically there are many local products whose quality is better and the price is cheaper but because the brand image is not well developed, so there is also an inferiority mentality, we are still lacking confidence in our own products or domestic products, in the end choose foreign products even though they spend quite a lot.

Based on the latest Katadata Insight Center (KIC) survey, it shows that 34.2% of Indonesian consumers like clothes from abroad and 42.9% like shoes from abroad. Even though based on the data, the percentage of domestic clothing enthusiasts is higher, the number 34.2 is not a small number. Then the Minister of Tourism and Creative Economy Wishnutama also conveyed that encouraging Indonesian consumers to wear local fashion products is a challenge in itself, culinary, the efforts are not too heavy. When it comes to crafts and fashion, Indonesians sometimes still prefer foreign products. Especially now that thrifting or shopping for used goods from abroad, which is dominated by fashion, is also on the rise. Based on data from BPS, it is known that imports of used clothing increased by 277.75% from 8 tonnes in 2021 to 26.22 tonnes in 2022. The value of imported used clothing was 272.146%, an increase of 518.5% from 44,000 in 2021 (www.jakartaglobe.id , 2023). Judging from the several articles, it is known that there has been a

decline and little consumer interest in buying local Indonesian products, especially fashion products.

Purchase intention is the positive possibility of a consumer to purchase goods and services (Lien, 2015). Intention itself is a combination of consumer beliefs and attitudes towards a product or service. Intention to buy itself is also influenced by several variables such as brand value and brand image. In addition to consumer ethnocentrism which influences purchase intention, the relationship between consumer ethnocentrism and brand value and brand image is also interesting for further research. Ethnocentric consumers also create a value that is able to influence other people, values are considered important to explain that their products are much better than other people's products.

2. LITERATURE REVIEWS

2.1. Ethnocentric Consumer

Ethnocentric consumers are defined as beliefs held by consumers regarding the suitability and morality of buying foreign-made products (Wei, 2008). From this perspective, buying foreign products is undesirable as it is seen as harmful to the consumer's own country's economy and thus, unpatriotic. Therefore, consumer ethnocentrism tends to emphasize the advantages of domestic products and ignore the positive attributes of foreign products. In developing countries, the influence of ethnocentrism is related to several other factors, such as the level of social development, namely the economy and technology in the country and the lifestyle dimensions of the country of origin.

2.2. Brands

Brands or brands have been defined in various ways over the years, depending on the perspective from which the brand is perceived. In the classic definition, the brand is related to product identification and differentiation from its competitors, through the use of a specific name, logo, design or other visual signs and symbols. The American Marketing Association (AMA) defined a brand in the 1960s as a name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Heding, 2009). The conception of a brand as a set generates a stream of dramatic and profound changes that change marketing and brand management perceptions of how brands should be managed and measured.

2.3 BrandEquity

A brand is identified as a unique name, symbol, logo, color or registered trademark that is unique in design (Foroudi, 2018). Meanwhile, brand equity can be considered as added value given to a product in the form of thoughts, words, and actions of customers (Keller, 2012). In measuring how much brand equity is, you can use the dimensions of brand image, brand value, brand association, brand perceived quality, brand awareness, and brand loyalty (Beig, 2019). Brand image is defined as the perception of the brand which is reflected in the brand associations that are created in the consumer's memory. Brand value which is interpreted as providing emotional value to consumers, rational value for customers.

2.4 Brand Values

The definition of brand value or customer value according to Kotler and Keller 2012, is the difference between the prospective customers evaluation of all the benefits and all the costs of an offering and the perceived alternatives. The difference between the total customer value of the total customer value and the total customer cost of the total customer cost. Total customer value is a set of benefits expected by customers from the product or service. Total customer costs are a set of costs expected by consumers incurred by consumers to evaluate obtaining, using and disposing of



products and services. Brand value offered by producers provides emotional value to consumers,

2.5 Brand Image

Brand image is a perception about a brand as reflected by the brand associations held in consumer memory, meaning that brand image is defined as a perception of the brand which is reflected in the brand associations created in consumer memory (Kotler, 2012). The term brand image has been defined and applied in various ways by different researchers (Tasci, 2016), as shown in the multiple definitions and interpretations of brand image resulting in discrepancies. If there is no agreement on the definition of brand image, how can researchers and practitioners better understand the formation of brand equity. Despite the use of the same terminology, the concept of brand image has been applied in many different ways.

2.6 Purchase Intention

Intentions are predictions that include when, where and how consumers act towards a brand or product and are influenced by factors that immediately precede behavior, which are influenced by attitudinal or personal components and social or n components.orma that prevails in society. Purchase intention is one of the processes in purchasing an item before finally making a decision to buy the product. This purchase intention is driven by the desire of a consumer to buy a product based on their needs. Purchase intention is obtained from a learning process and a thought process that forms a perception. Buying interest that appears creates a motivation that is continuously recorded in his mind, which in the end when a consumer has to fulfill his needs will actualize what is in his mind. Even though it is a purchase that is not certain to be made in the future, the measurement of purchase intention is generally carried out in order to maximize predictions of the actual purchase itself. Intention to buy is something related to consumer plans to buy certain products, as well as how many units of the product are needed in a certain period (Durianto, 2014).

2.7 Generation Z

Generation is a group of individuals who identify groups based on years of birth, age, location, and events in the life of groups of individuals who have a significant influence on the growth phase (Schmidt, 2000). In generation theory, the human generation is divided into 5 based on the year of birth, namely the baby boomer generation born 1946-1964, generation X born 1965-1980, generation Y born 1981-1994, often called the millennial generation, generation Z born 1995-2010 also called iGeneration , iNet generation (internet generation) and alpha generation born 2011-2025. The five generations have differences in personality development. Stillman's research (2017) suggests that generation Z is the newest generation of workers, born between 1995 and 2012, also called the internet generation. Based on this research, Generation Z is different from Generation Y or Millennials. Generation Z is the generation that is as early as possible familiar with technology and the internet, a generation that is hungry for technology (Noordiono, 2016). The new technology is fresh water that must be sipped immediately to feel the benefits.

3. RESEARCH METHOD

This research is a quantitative research that emphasizes measurable data through several hypothesis testing. The population in this study is generation Z in the city of Medan who were born between 1995 and 2012, also called the net generation or internet generation. The population of this study, namely generation Z in the city of Medan, based on BPS data for 2021, is 390,295 residents; which is divided into 2 age groups, namely 15-19 years totaling 190,188 residents and 20-24 year olds totaling 200,107 residents. Even though the meaning of Generation Z is those born in 1995 to 2012 or aged 10 - 27 years, but because the data available in BPS (2021) is based on groupings 15-19 and 20-24; then the population of generation Z is 390,295 people in the city of Medan. This research was conducted in the city of Medan with research starting in April 2023 - May 2023. In this study, data analysis used the Partial Least Square (PLS) approach. PLS is a component- or variant-based Structural Equation Modeling (SEM) model. According to Ghozali & Latan (2015),

PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based one.

4. RESULTS AND DISCUSSION

4.1. Descriptive statistics

Based on the results of the consumer ethnocentrism variable stating that the first statement of local Indonesian fashion products is the product of the most important choice to buy it is known that the majority of respondents stated that they disagreed as many as 73 people (48.7%), but there were those who strongly agreed as many as 32 people (21.3%). In the second statement Medan city residents should always buy local products rather than imported products it is known that the majority of respondents agreed and strongly agreed as many as 37 respondents (24.7%) respectively with a total of 74 respondents (49.3%), but there were 47 respondents (31.3%) who expressed disagreement. In the third statement buying local products is the best thing, most of the respondents are divided between disagreeing as much as 34.7% (52 people) and strongly agree as much as 33.3% (50 people). while the third highest rank was filled by respondents who agreed as much as 29.3% (44 people). In the fifth statement, even though buying local fashion products incurs costs, I prefer to support the production of local products in the country, getting the majority of respondents answering disagree as many as 47 people (31.3%) but there are 43 people (28.7%) answering strongly agree.

In the sixth statement we have to buy local products made in Indonesia rather than letting other countries get our wealth, the results of the answers of the most respondents are in disagreement as many as 43 people (28.7%) then the second and third most answers are in agree and strongly agree respectively 34 people (22.7%). In the seventh statement, buying foreign-made products is not true. because it caused Indonesians to lose their jobs, the majority of respondents stated that they did not agree as many as 67 respondents (44.7%). In the eighth statement true Indonesians must always buy authentic local Indonesian products, the majority of respondents' answers stated that they disagreed as many as 63 people (42.0%), then strongly agreed as many as 37 people (24.7%). In the ninth statement buying foreign-made products does not reflect good Indonesian citizenship, the majority of respondents stated that they did not agree as many as 49 people (32.7%), then they strongly agreed as many as 36 people (24.0%). In the tenth statement foreigners should not be allowed to sell products in Indonesia, the majority of respondents stated that they disagreed as many as 66 people (44.0%), then there were 55 people (36.7%). the majority of respondents stated that they did not agree as many as 67 respondents (44.7%). In the eighth statement true Indonesians must always buy authentic local Indonesian products, the majority of respondents' answers stated that they disagreed as many as 63 people (42.0%), then strongly agreed as many as 37 people (24.7%).

In the ninth statement buying foreign-made products does not reflect good Indonesian citizenship, the majority of respondents stated that they did not agree as many as 49 people (32.7%), then they strongly agreed as many as 36 people (24.0%). In the tenth statement foreigners should not be allowed to sell products in Indonesia, the majority of respondents stated that they disagreed as many as 66 people (44.0%), then there were 55 people (36.7%). the majority of respondents stated that they did not agree as many as 67 respondents (44.7%). In the eighth statement true Indonesians must always buy authentic local Indonesian products, the majority of respondents' answers stated that they disagreed as many as 63 people (42.0%), then strongly agreed as many as 37 people (24.7%). In the ninth statement buying foreign-made products does not reflect good Indonesian citizenship, the majority of respondents stated that they did not agree as many as 49 people (32.7%), then they strongly agreed as many as 36 people (24.0%). In the tenth statement foreigners should not be allowed to sell products in Indonesia, the majority of respondents stated that they disagreed as many as 66 people (44.0%), then there were 55 people (36.7%).



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Based on the results of the brand value variable, it states that the first statement is that local fashion brands are more value for money than foreign brands, it is known that the majority of respondents answered strongly agree as many as 41 people (27.3%) but the second and third ranks were occupied by respondents who answered disagree as many as 38 people (25.3%) and strongly disagree as many as 36 people (24.0%). In the second statement, namely local fashion brands have more identity/unique than foreign brands, the majority of respondents answered that they disagreed as many as 47 people (31.3%), but there were 40 people (26.7%) who stated that they strongly agreed. In the third statement, namely local fashion brands are more durable than foreign brands, the majority answered disagree as many as 62 people (41.3%); but there were 52 people (34.7%) stated that they strongly agreed. In the fourth statement, namely local fashion brands have a good reputation, in my view, the majority of the distribution of answers is in the answers that strongly agree as many as 49 people (32.7%) but there are 43 respondents (28.7%) who disagree. In the fifth statement, namely I always remember local fashion brands compared to foreign fashion brands, the majority of respondents agreed as many as 46 people (30.7%) and strongly agreed as many as 45 people (30.0%).

Based on variable results *brand image* states that the first statement is that in my opinion local fashion brands are superior brands in terms of quality, the majority of respondents stated that they strongly agreed as many as 57 people (38.0%) but there were 40 people (26.7%) stated that they did not agree. In the second statement, in my opinion, local fashion brands are both bought and used by Indonesians, getting the majority of answers in disagreeing as many as 40 people (26.7%) and disagreeing as many as 30 people (20%), but there are 33 people (22.0) who stated that they strongly agree. In the third statement, namely in my opinion, local fashion brands always innovate in product development. The majority of respondents answered strongly agree as many as 42 people (28.0%) but there were 34 people (22.7%) who disagreed and 33 people (22.0%) said they did not agree.

Based on the results of the purchase intention variable stated that the first statement is that I have a high desire to buy local fashion products, the majority of respondents' answers stated that they disagreed as many as 46 people (30.7%). In the second statement, namely I will often buy local fashion products in the future, the majority of respondents' answers stated that they disagreed as many as 57 people (38.0%) but there were 38 people (32.0%) who stated that they strongly agreed with the statement that they would often buy local fashion products. in the future. In the third statement, namely I will recommend local fashion products to my friends/family, the majority of respondents' answers stated that they disagreed as many as 55 people (36.7%).

Table 2. Path Coefficient

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Consumer Ethnocentrism</i> → Brand Values	0.833	0.837	0.028	30.152	0.000
<i>Consumer Ethnocentrism</i> → Brand Image	0.799	0.803	0.027	30.129	0.000
<i>Consumer Ethnocentrism</i> → Purchase Intentions	0.168	0.159	0.102	1,644	0.101
<i>Brand Values</i> → Purchase Intentions	0.073	0.088	0.107	0.688	0.492
<i>Brand Image</i> → Purchase Intentions	0.655	0.652	0.083	7,922	0.000

Source: Processed primary data, 2023

Table 2 explains that the consumer ethnocentrism variable (X1) has a positive and significant effect on brand value (Z1) with a path coefficient value of 0.833 and a significance with a p value of $0.000 < 0.05$. The consumer ethnocentrism variable (X1) has a positive and significant effect on brand image (Z2) with a path coefficient value of 0.799 and a significance with a p value of $0.000 < 0.05$. Variable *consumer ethnocentrism* (X1) has a positive but not significant effect on purchase intention (Y) with a path coefficient value of 0.168 and a significance with a p value of $0.101 > 0.05$. The brand value variable (Z1) has a positive but not significant effect on purchase intention with a path coefficient value of 0.073 and a significance with a p value of $0.492 > 0.05$. Brand image variable (Z2) has a positive and significant effect on purchase intention with a path coefficient value of 0.655 and a significance value with a p value of $0.000 < 0.05$.

Table 3. Indirect Effects

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Consumer Ethnocentrism</i> → Brand Values → Purchase Intentions	0.061	0.074	0.090	0.676	0.499
<i>Consumer Ethnocentrism</i> → Brand Image → Purchase Intentions	0.523	0.523	0.067	7,792	0.000

Source: Processed primary data, 2023

Table 3 explains that *consumer ethnocentrism* (X1) has a positive but not significant effect with a path coefficient value of 0.061 and is significant with a p value of 0.499 on purchase intention (Y) through brand value (Z1). In other words, brand value is unable to mediate the



relationship between consumer ethnocentrism and purchase intention. Meanwhile, consumer ethnocentrism (X1) has a positive effect with a path coefficient value of 0.523 and is significant with a p value of 0.000 on purchase intention (Y) through brand image (Z2). In other words, brand image is able to mediate the relationship between consumer ethnocentrism and purchase intention.

DISCUSSION

The results of the analysis show that the results of testing the first hypothesis, it is known that the significance value of t is obtained at $0.000 < 0.05$, meaning that this hypothesis is accepted with a statistical value of $30.152 > t_{table} (1.96)$. These results explain that there is a positive and significant influence between consumer ethnocentrism on brand value. The results of testing the second hypothesis, it is known that the significance value of t is obtained for $0.000 < 0.05$, meaning that this hypothesis is accepted with a statistical value of $30.129 > t_{table} (1.96)$. These results explain that there is a positive and significant effect of consumer ethnocentrism on brand image.

The results of testing the third hypothesis, it is known that the significance value of t is obtained for $0.101 > 0.05$, meaning that this hypothesis is rejected with a statistical value of $1.644 < t_{table} (1.96)$. These results explain that there is a positive but not significant effect of consumer ethnocentrism on purchase intention. The results of testing the fourth hypothesis show that the significance value of t is $0.492 > 0.05$, meaning that this hypothesis is rejected with a statistical value of $0.688 < t_{table} (1.96)$. These results explain that there is a positive but not significant influence between brand value and purchase intention.

The results of testing the fifth hypothesis show that the significance value of t is $0.000 < 0.05$, meaning that this hypothesis is accepted with a statistical value of $7.922 > t_{table} (1.96)$. These results explain that there is a positive and significant influence between brand image and purchase intention. The results of testing the sixth hypothesis show that the significance value of t is $0.676 > 0.05$, meaning that this hypothesis is rejected with a statistical value of $0.499 < t_{table} (1.96)$. These results explain that there is a positive but not significant effect of consumer ethnocentrism on purchase intention through brand value. The results of testing the seventh hypothesis show that the significance value of t is $0.000 < 0.05$, meaning that this hypothesis is accepted with a statistical value of $7.792 > t_{table} (1.96)$. These results explain that there is a positive and significant effect of consumer ethnocentrism on purchase intentions through brand image.

5. CONCLUSION

Based on the results of the research above, it can be concluded that consumer ethnocentrism has a positive and significant effect on the brand value of Indonesian local fashion products in the city of Medan. Consumer ethnocentrism has a positive and significant effect on the brand image of Indonesian local fashion products in Medan. Consumer ethnocentrism has a positive but not significant effect on the intention to buy Indonesian local fashion products in the city of Medan. Brand Value has a positive but not significant effect on the intention to buy Indonesian local fashion products in the city of Medan. Brand image has a positive and significant effect on the intention to buy Indonesian local fashion products in the city of Medan. Brand value is unable to mediate the relationship between consumer ethnocentrism and the intention to buy local Indonesian fashion products in Medan.

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