

CHAPTER I

INTRODUCTION

A. Research Background

Fashion is no longer just a necessity but a mandatory desire. The clothing segment and fashion market in Indonesia continue to grow significantly from time to time. The many new fashion industry popping up to make consumers want to follow its development to make consumers look and feel more trendy with styles that differ from any other brand. In this industry, especially in the high fashion luxury brand groups, the purchase aims for investment goods in the future because the price will still be constant in the future (Soesilo and Anandya, 2019). For some consumers, the purpose of appearing fashionable by wearing luxury fashion brand products is to obtain satisfaction and a pleasant experience.

Luxury fashion brands have become a product that ogled by many people. However, luxury fashion brands still need a link between them and their consumers to engage the consumers. In Indonesia, social media is the appropriate medium to be an intermediary. The existence of the internet has more or less changed the pattern of community interaction. The interaction can take place without having to be in one space and time together. The internet melts boundaries that prevent a person from interacting. Based on data from the Association of Indonesian Internet Service Providers (APJII, 2018) revealed that internet users in Indonesia currently reach 171.17 million of the total population of Indonesia in

264.16 million. While the visited of social media users showed the top 5 popular social media in Indonesia, namely Facebook with 50.7% users, Instagram 17.8% users, Youtube 15.1% users, Twitter 1.7% users, and LinkedIn 0.4% of users. This explains social media users in Indonesia have great potential to grow because they have reached half of the total population. Social media users can cover all ages, from childhood to adulthood. The increasing use of social media in Indonesia will provide the chance to attract people to pay attention to social media users. Consequently, most companies communication strategies are using platforms for increasing their performance and achievement (Singhal, 2016).

Businesses in Indonesia, rapidly growing to adapt and engage Indonesian consumers with social media. The purpose of social media is not only as marketing media but also very important as a media liaison between brands and retailers. The companies have to provide better service to consumers, direct engagement, or by using social media can be the opportunities to build the consumers involvement towards the company. By investing hugely in commercials on any platform, the company gains so many followers, and it is evidence of customer involvement in social media (Brandão *et al.*, 2019). Even though Facebook is the most popular social media in Indonesia, Instagram is still a platform that provides luxury fashion brand account specifically for Indonesian that acquires the most fans and followers. Most of the fashion consumers in Indonesia are juvenile, and most of them are using

Instagram to follow fashion or clothing brand account (eMarketer, 2016). Many small brands that do not have a physical store or even large brands in Indonesia using Instagram to do marketing and attract buyers (Gilliam, 2015) so that brands can assess the consumer brand engagement.

The consumer must be involved in the brand to know about the product they are going to buy, so that is a form of antecedents. Antecedents are environmental phenomena that shape the stage or triggers of behavior (Moskowitz, 2005). The existence of antecedents can trigger someone's attitude, meaning that the presence of an incident can make someone behave. Consumers visit the luxury fashion brand's site because they want to find out what products will make them look attractive and improve their social status. Consumers usually judge the brand based on whether they like or dislike the product of that brand, ease of mobility, model, color, and the name or symbol of the brand. Luxury brand status refers to consumers' perceptions of quality, prestige, price, and the ability to be successful symbols for consumers who use them (Soesilo and Anandya, 2019). Besides, consumers so choose branded fashion products based on their attitude to the brand they will wear. Consumers must be the follower or fans of the fashion luxury brand's site to stay abreast of the latest developments and posts from the luxury fashion brands they choose. Choosing branded clothes also choose brands that are already well known, have good quality, and have good brand status. Willingness to be a follower or fan on fashion luxury

brand's site and check the latest posts all the time, that is a form of consumer involvement.

Involvement can be defined as a motivational status that drives and directs cognitive processes and consumer behavior when they make decisions (Dholakia, 2001). The cognitive processes are necessary for consumers before making a purchase. Consumers will seek contact information to support their accuracy decision-making (Zanoli and Naspetti, 2002). The consumer tends to look for information in the fashion luxury brand's site further if they want to buy a product that is more expensive, more visible, and more complex. This contact information occurs when consumers are directly involved with information about products, stores, or brands. Contact information with the promotion can be based on desire or unexpectedly. The behavior includes reading or observing newspapers, magazines, and billboards, listen to advertisements on the radio, watch advertisements on television, including observing the social media page account of the product to be searched. The main function of a person's cognitive system is to interpret, give meaning and understand the main aspects of their personal experiences. Other than that, cognitive function process (think about) the interpretation or such as setting out goals and target, develop and evaluate alternative actions to be taken for achieving these goals, choose actions to be taken as well as to run behavior. Cognitive interpretation is used to make decisions because consumers use information in making decisions (Zanoli and Naspetti, 2002). System

cognitive will form cognitive responses like knowledge, meaning, and trust. Consumer internal responses and their behavior is also information that can be translated by their cognitive system. If the consumer internal responses and the behavior influence consumer decisions, the information must be processed (captured, translated, and used) by their cognitive systems. Companies need to make a good impression through brand engagement, such as through Instagram pages or other social media. Followers and fans of the Instagram page of a luxury fashion brand account will always have all the considerations from joining the community brand to finally having the intention to buy it.

In following the fashion luxury brand's site, the customer's affection component is necessary to assess the interactions that the brand image has built. The Affection component is our feeling or emotion towards an object, usually expressed in the form of likes or dislikes (Choi *et al.*, 2014). Generally, consumer confidence in a fashion luxury brand's site is closely attached to their feelings. In other words, feelings of like or dislike are determined by consumer confidence, but not necessarily every consumer who has the same belief will show the same emotion. That is because each background is different.

Consumer brand engagement that is no less important in the engagement with customers is the activation process. The activation process is an assessment of how much energy, effort, and time that consumers will spent to use the fashion luxury brand's site (Brandão *et al.*, 2019). The willingness of customers to visit the sites. The activation

process needs to be considered by luxury brands to get the loyalty of their customers. Companies must bind customers with their products or make every effort to pay back customers to visit their sites.

There are consequences from the consumer brand engagement dimension, namely self-brand connection and brand internet usage. The self-brand connection is a concept that arises from the reflection of a strong bond between the brand's sites and the identity of the consumer (Dwivedi *et al.*, 2015). There is a relationship between self-concept and brand sites, namely the creation of self-brand relationships. The development of self-brand relationships has the potential to become additional channels in developing brand equity. The impact of a self-brand connection includes increasing brand equity which is the most necessary part of a brand that can add or reduce the value of the brand's sites (Fayrene and Lee, 2011). Besides, brand usage intent is an additional consequence of consumer brand engagement. It has been defined as the "consumers" differential response to compare differences in the same product while having the same marketing character between focal brands and unbranded products (Brandão *et al.*, 2019). In this concept, the brand usage intent is meaning to the fashion luxury brand's site, how the user's intention to increase visits to fashion luxury brand's site. This concept aims to understand how consumers choose to stay in touch with the brand by always visiting the fashion luxury brand's site. So with all these concepts, the researcher wants to find out the

antecedents and consequences of luxury brand engagement in social media and its impact results from each factor to other factors.

B. Research Questions

Based on the research background above, it can be formulated several description of the questions include:

1. Does customer involvement has an impact on the cognitive process factor of consumer brand engagement?
2. Does customer involvement has an impact on the affection factor of consumer brand engagement?
3. Does customer involvement has an impact on the activation factor of consumer brand engagement?
4. Can the cognitive process factor of consumer brand engagement affects the connection with the luxury brand's Instagram page?
5. Can the affection factor of consumer brand engagement affects the connection with the luxury brand's Instagram page?
6. Can the activation factor of consumer brand engagement affects the connection with the luxury brand's Instagram page?
7. Can the cognitive process factor of consumer brand engagement affects the luxury brand's Instagram page?
8. Can the affection factor of consumer brand engagement affects the luxury brand's Instagram page?
9. Can the activation factor of consumer brand engagement affects the luxury brand's Instagram page?

C. Research Objectives

Based on the research questions above, so the research objectives for this research are:

1. To analyze the impact of customer involvement as an antecedent on the cognitive process factor of consumer brand engagement.
2. To analyze the impact of customer involvement as an antecedent on the affection factor of consumer brand engagement.
3. To analyze the impact of customer involvement as an antecedent on the activation factor of consumer brand engagement.
4. To analyze the cognitive process factor of consumer brand engagement has an impact on the connection with the luxury brand's Instagram page as a consequence.
5. To analyze the affection factor of consumer brand engagement affects the connection with the luxury brand's Instagram page as a consequence.
6. To analyze the activation factor of consumer brand engagement has an impact on the connection with the luxury brand's Instagram page as a consequence.
7. To analyze the cognitive process factor of consumer brand engagement affects the luxury brand's Instagram page as a consequence.
8. To analyze the affection factor of consumer brand engagement affects the luxury brand's Instagram page as a consequence.

9. To analyze the activation factor of consumer brand engagement affects the luxury brand's Instagram page as a consequence.

D. Research Benefits

1. Business Considerations

This research can be used as consideration, reference, and evaluation for companies in determining marketing strategies, so that this research is expected to be able to provide input on thought and development for the company to increase sales.

2. Future research Considerations

The result of this research can be used as literature for future papers. Besides, this research can add new insight and knowledge in the field related to brand engagement, brand communities, and social media marketing in Indonesia, especially for luxury brand companies in Indonesia.