

## FACTORS INFLUENCING PURCHASE INTENTION OF LOCAL INDONESIAN FASHION BRANDS IN THE DIGITAL ERA

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### ABSTRACT

The rise of local fashion brands in Indonesia has shown significant growth, with many now competing on an international scale. However, challenges such as fierce competition, limited brand awareness, and inadequate promotional strategies still hinder the industry. This study explores the influence of Country of Origin, Brand Consciousness, and Brand Awareness on Purchase Intention toward local fashion products in Indonesia. Using a quantitative approach with structural equation modeling (PLS-SEM) and data from 257 Indonesian millennial and Gen Z respondents. The research finds that all three factors significantly affect purchase intention. Brand-conscious consumers are more likely to purchase products that reflect their social status, while higher brand awareness boosts consumer trust and confidence. Additionally, the perception of the product's origin, particularly the "Made in Indonesia" label, strengthens purchase decisions. This study offers valuable insights for local fashion brands to enhance their marketing strategies and highlights areas for future research in exploring other influencing factors.

**Keywords:** local fashion brands, country of origin, brand consciousness, purchase intention

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### INTRODUCTION

The development of local fashion brands in Indonesia has shown a consistent upward trend, as evidenced by the increasing number of local brands with diverse identities and quality standards comparable to those of international brands. Several of these brands have even successfully penetrated global markets. According to a public opinion survey conducted by Goodstats.id (2023) regarding the fashion preferences of Indonesian youth, 40.2% of respondents reported preferring local fashion brands for their daily wear, in contrast to only 3.8% who favored international brands.

Despite this positive growth, Indonesia's fashion industry continues to face considerable challenges, many of which mirror those encountered in other countries. One of the most pressing issues is the intensifying competition from both domestic and international brands (Uc.ac.id, 2022). Many local fashion brands still struggle to compete with global brands such as Adidas, H&M, Uniqlo, and Converse. Key factors contributing to this include consumers' limited awareness of brand origin (country of origin), underdeveloped promotional strategies (brand consciousness), and low consumer recognition of local fashion labels (brand awareness).

The first factor, country of origin, has a substantial impact on consumer purchase behavior. It encompasses the attributes, styles, and symbolic elements associated with the country from which a product originates (Budiyanto & Wiwaha, 2021; Karimov & El-Murad, 2019; Zhou & Gao, 2024). It also reflects societal perceptions of product quality and the reputation of manufacturing in that country (Blanco-Encomienda et al., 2024). There are five dimensions identified of the country of origin: technological advancement, product category, prestige, product quality, and national image (Salim & Lahindah, 2021). Further suggest that

awareness of a product's origin can significantly influence consumers' intention to purchase (Hien et al., 2020) . Supporting studies affirm that consumers associate the origin of a product or service with its quality (Rahman et al., 2021)

The second factor, brand consciousness, refers to a consumer's psychological predisposition to prefer well-known, prestigious brands with high visibility and marketing exposure (Çavuşoğlu et al., 2021; Kautish et al., 2020a; Lal & Sharma, 2021). Consumers exhibiting high brand consciousness often associate brand image with social status (Rahman et al., 2021). Empirical indicators of brand consciousness include preference for expensive, bestselling, foreign, and heavily advertised brands (Ricardo & Jaolis, 2019). Note a positive correlation between brand consciousness and brand awareness (Situmorang et al., 2021). Further argue that brand consciousness significantly influences purchase behavior and strengthens consumer purchase intention (Rahman et al., 2019; Rahman et al., 2021; Lal & Sharma, 2021).

The third factor, brand awareness, remains limited among local brands and constitutes a significant barrier to their competitiveness. Brand awareness plays a vital role in shaping consumers' purchasing decisions by increasing familiarity and trust (Kerse, 2023; Tan et al., 2021). Brand awareness can be defined as the extent to which customers recognize or recall a brand when thinking about a product category (Santi et al., 2022). Brand awareness can be classified into four levels: top-of-mind, brand recall, brand recognition, and unaware brand (Kerse, 2023). Research suggests that high levels of brand awareness positively influence consumer behavior and decision-making processes (Chen, 2024; Rahman et al., 2021; Shahid, 2017).

The study aims to examine the purchase intention of Indonesian millennial and Gen Z consumers toward local fashion products, focusing on the following research questions:

1. Does the Country of origin have a significant effect on the purchase intention toward local fashion products in Indonesia?
2. Does Brand consciousness have a significant effect on the purchase intention toward local fashion products in Indonesia?
3. Does Brand awareness have a significant effect on the purchase intention toward local fashion products in Indonesia?

## **METHOD**

### **Data and Sample**

This study employed a quantitative research approach, as numerical data was utilized throughout the entire research process—from data collection to data analysis. The research design is causal research (Reni Susilo et al., 2023) as it aims to examine and test the influence of brand awareness, country of origin, and brand consciousness on purchase intention. Data were collected using a structured questionnaire distributed to 257 respondents through purposive sampling, and responses were measured using a Likert scale.

### **Measurement**

According to (Rahman et al., 2021) Indicators to measure brand consciousness are attention to brand names, brand names indicating product quality, brand names reflecting how trendy or stylish a product is, and willingness to pay more for a reputable brand. The indicators to measure the variables of brand awareness are being aware of the brand being used, brand characteristics coming to mind easily, being able to quickly recall the brand's symbol or logo, and having no difficulty in identifying the brand (Islam & Hussain, 2023). Based on (Francioni et al., 2022) the indicators to measure the variables of country of origin are a country known for high-quality products, a country associated with modern and innovative products, a country

where product quality is proportional to price, a country whose products are superior to those of other countries, and a country whose products are considered trustworthy. And for the variables of purchase intention, the indicators used in this study are considering making a purchase, interested in purchasing, willing to recommend the product to others, and become the first choice when planning to purchase (Badhwar et al., 2024; Velice & Sander, 2022).

### Data Analysis

The data analyzed using PLS-SEM, that have two measurement outer (convergent validity, discriminant validity and internal consistency or reliability) and inner model (R square, f square, Q square). Convergent validity was evaluated using the Average Variance Extracted (AVE), with a minimum threshold of 0.50. Discriminant validity was confirmed by ensuring that each indicator's loading value was higher than its cross-loading values. To determine construct reliability, composite reliability (CR) values were assessed, requiring a minimum of 0.70. Hypothesis testing was conducted at a 5% significance level ( $\alpha = 0.05$ ), while the coefficient of determination ( $R^2$ ) was employed to measure how much variance in purchase intention could be accounted for by the independent variables. In this study, data analysis uses PLS-SEM, following the rules of thumb proposed by (Hair et al., 2019). In this study inner model just display the R square value.

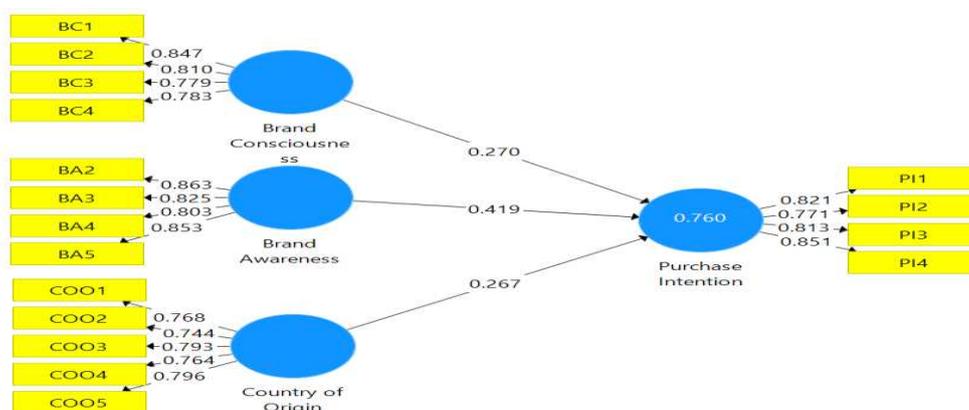
## RESULTS AND DISCUSSION

Based on the questionnaire responses collected from 257 participants, the following table 1 presents the respondent profile of this study.

**Table 1.1**  
**Profile of Respondents**

Indicator	Description	Frequency	%
Gender	Man	100	39%
	Woman	157	61%
Age	17-21 years (gen Z)	22	9%
	22-27 years (gen Z)	113	44%
	28-35 years (gen Y)	65	25%
	35-43 years (gen Y)	57	22%
N		257	100%

*source: processed by researcher, 2025*



**Figure 1. Algorithm of the Models**

The data in Table 1.1 indicates that female respondents dominate this study, accounting for 61%, compared to 39% male respondents. Although the difference is not overly significant, the data suggests that women are more interested in and passionate about fashion, likely due to a stronger desire to appear attractive and trendy. In terms of age distribution, respondents were primarily aged 22–27 years (44%), followed by those aged 28–35 years (25%), 35–43 years (22%), and 17–21 years (9%). The relatively balanced age distribution reflects the widespread penetration of social media, which transcends age boundaries.

After analyzed the data, the table below outlines the outcomes of the validity and reliability tests, along with the coefficient of determination included in the study.

**Table 1.2**  
**Analysis of Data**

Variable	Validity		Reliability	Coefficient of Determination
	CL	AVE	CR	R <sup>2</sup>
Brand Consciousness	0.783 – 0.847	0.648	0,881	
Brand Awareness	0,803 – 0.863	0.699	0.903	
Country of Origin	0.744 – 0.796	0.598	0.881	
Purchase Intention	0.771 – 0.851	0.663	0.887	0,760

*source : processed using SmartPLS, 2025*

As presented in Table 1.2, all variables in this research satisfied the validity standards. This is evidenced by cross-loading values above 0.5 for all indicators and Average Variance Extracted (AVE) values also exceeding the 0.5 benchmark. These results validate that the constructs—brand consciousness, brand awareness, country of origin, and purchase intention—achieve acceptable levels of convergent validity.

In terms of reliability, the composite reliability values between 0.881 and 0.903, all of which surpass the minimum recommended threshold of 0.7. This demonstrates that each construct is both consistent and dependable. The coefficient of determination (R<sup>2</sup>) for purchase intention is 0.760, indicating that 76% of its variance can be explained by the three independent variables, while the remaining 24% may be influenced by other factors not covered in this study.

Based on the data analysis results, the following table presents the hypothesis testing outcomes.

**Table 1.3**  
**Hypothesis Testing Results**

Hypothesis	Original Samples	t-statistic	p-value	conclusion
H1 : Brand Consciousness > Purchase Intention	0,270	2.825	0,001 < 0,05	Sig
H2 : Brand Awareness > Purchase Intention	0,419	3,484	0,005 < 0,05	Sig.
H3 : Country of Origin > Purchase Intention	0,267	2,511	0,012 < 0,05	Sig

*source : processed by researcher, 2025*

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The results show that Brand Consciousness has a significant influence on Purchase Intention ( $t = 2,825$  and  $p = 0.001$ ). This indicates that the higher the consumer's awareness of the importance of brands in their purchasing decisions, the more likely they are to purchase local fashion products in Indonesia (Çavuşoğlu et al., 2021; Kautish et al., 2020b; Lal & Sharma, 2021). Brand-conscious consumers tend to be more selective in choosing brands that align with their self-image. Therefore, it is crucial for local fashion industries to build a strong and exclusive brand image to increase consumer purchase intention. Strategies such as collaborating with influencers, using premium packaging, and storytelling that emphasizes quality, design, and cultural value can be effective.

Brand Awareness also significantly influences Purchase Intention ( $t = 3,484$ ,  $p = 0.005$ ). This suggests that the more familiar consumers are with a local fashion brand, the more likely they are to consider purchasing it (Anggrenita & Sander, 2022; Kerse, 2023; Tan et al., 2021). Familiarity breeds trust and confidence in purchase decisions. Thus, enhancing brand awareness is a key strategy for local fashion brands to remain competitive. Efforts to increase visibility could include creative social media campaigns, digital marketing, participation in major marketplaces, and involvement in national or international fashion events. Collaborating with public figures and fashion communities can also help strengthen brand exposure and attract more potential buyers.

Country of Origin was also found to significantly influence Purchase Intention ( $t = 2,511$ ,  $p = 0.012$ ), indicating that consumers' perceptions of a product's origin play a role in purchase decisions (Blanco-Encomienda et al., 2024; Hien et al., 2020; Salim & Lahindah, 2021). In the context of local Indonesian fashion, this implies that consumers are likely to consider where a product is made. If local products are perceived to have good quality, cultural uniqueness, and competitive design, purchase intention will increase. Therefore, local fashion brands should strengthen the positive image of "Made in Indonesia" by highlighting aspects such as craftsmanship, high-quality materials, and innovative design. National campaigns like #BanggaBuatanIndonesia can also be utilized to raise consumer awareness and loyalty toward local brands.

## CONCLUSION

The Indonesian fashion industry has grown steadily, with many local brands now matching the quality of international labels and some even reaching global markets. Nevertheless, local brands continue to face strong competition from international players due to limited brand recognition and less developed promotional strategies. The research shows that brand consciousness, brand awareness, and country of origin being able to encourage improvement purchase intention for local fashion products in Indonesia.

These findings suggest that brand-conscious consumers tend to select products that reflect their self-image, while brand-aware consumers are more confident in their purchasing decisions. In addition, a positive perception of a product's origin such as quality, cultural value, and distinctive design further enhances consumer buying interest. Overall, the research model explains 81% of the variation in purchase intention, indicating that these three variables are key factors influencing consumer purchasing decisions for local fashion brands.

For future research, it is recommended to incorporate additional variables such as perceived product quality, digital marketing strategies, or price consciousness to gain a more comprehensive understanding. Further studies could also adopt a qualitative approach such as in-depth interviews, or expand the context to international markets to assess foreign consumers' perceptions of Indonesian fashion products. Additionally, research could focus on specific segments based on demographics or geographical areas to better understand diverse market preferences.

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