CONSUMER-ORIENTED APPROACH FOR SUSTAINABLE ADVANTAGE OF HOME-GROWN BRANDS IN MALAYSIA FAST FASHION INDUSTRY

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Abstract

Malaysian home-grown brands (MHBs) have faced significantly high competitions in fast fashion landscape coming from short production-cycle and international fashion brands which have mushroomed every major shopping malls across Malaysia. MFBs cannot position themselves as a leader in mass-production category and being perceived low in equity. This study explores on Consumer-oriented Approach (COA) which based on Consumer-based Brand Equity Model to build Strong Brand Equity through brand knowledge which cognitively built in marketing-mix over time (Keller, 1993). COA consists of exogenous constructs of Brand Awareness, Brand Image and Purchase Intention to give impact on Strong Brand Equity building as the endogenous construct. Brand Loyalty and Community Engagement are tested on the mediator and moderator effects. Quantitative research method is employed in a non-probability convenient sampling technique. As many as 2850 questionnaires were distributed with the success rate of 29.7%. After data screening, only 798 datasets were utilized for statistical analysis on 6 constructs and 17 latent variables. The findings show that Brand Loyalty has full mediator effects meanwhile, Community Engagement has low to none moderating effects thus, weakening the relationships between exogenous and endogenous constructs. Overall, MFBs are perceived low in brand equity. Therefore, further outside-in marketing approach deeply focusing on consumer orientation are required for sustainable advantage of MHBs in fast fashion industry.

Keywords: *Consumer-oriented Approach; Brand Awareness; Brand Image; Purchase Intention; Brand Loyalty; Community Engagement; Strong Brand Equity; Sustainable Advantage; Malaysia Home-grown Brands; Fast Fashion Industry*

Accentuation of the Study

1. Brand Loyalty is a full mediator to exogenous and endogenous constructs. The results give valuable insights from consumers' perspectives towards the level of loyalty to predict the outcome variable.
2. Community Engagement has low to none moderating effects as it weakens the relationships between the constructs. Thus, indicate both online and offline interactivities cannot assist in strengthening the consumer-consumer and consumer-brand relationships to build Strong Brand Equity.
3. Consumer-oriented Approach has insignificant direct impacts in causal relationships between the predictor and outcome variables, indicating MHBs marketing-mix approaches are not cognitively building Strong Brand Equity through knowledge built in the predictor variables. MHBs are not perceived having high equity values as consumers not preferring to choose them as their brands of choice.

competition as its net profit decreased due to tough market competition, albeit a rise in the revenue of approximately RM460 mil. (TheEdge, 2018).

Past studies highlighted that a brand with low equity has difficulties in brand expansion and struggling in financial outgrowth as well as challenging to sustain in business (Aaker, 1996; Aaker & Biel, 2013; Keller, 1993, 2001). Another challenge faced by MHBs is consumers' switching preferences to international fashion brands as they portrayed global image and recognition (Euromonitor, 2017). Previous studies show that the international counterparts are not affected in the fierce competition, but rather outperform their rivals because they have global recognition and strong reputable image (Mohamed, Mohamad, Borhan, Osman & Kamaralzaman, 2019; Nielsen, 2017; TheMalaysianReserve, 2018). For example, H&M is the leader in Malaysia fast fashion industry due to generation Y changing their preferred brand in seeing foreign brands and high reputable image are the main influential factors (Mohamed et. al., 2019; Ong & Lee, 2018; Valaei & Nikhashemi, 2017).

This research study has significances in addition to empirical evidence of knowledge for scholars, marketing practitioners and MHBs as well as Malaysian economy regarding the variables of interests being investigated;

1. This research study can be benefited to marketing practitioners and MHBs in focusing on consumer-driven marketing approach instead of traditional approach with the coming of IR 4.0 as sustainable advantages for business sustainability
2. The COA will be another contribution in new body of knowledge that scholars can be benefited from this research study.
3. The study can give advantage to Malaysian economy outgrowth directly from home-grown brands' sustainability which concurrently, can contribute to numbers of employments to locals as well as increment in gross domestic product (GDP) per capita.

Research Method

As the study investigated consumers' behavior, quantitative was the most suitable research method. The focal of the study was mainly on consumers' orientation measures which adopted the integrated quantitative research model from Corner (2002) and applied in the extensive research design of Creswell's (2009) philosophical worldviews. The study also adopted questionnaire design by going through past literatures, pre-test and pilot study before proceeding to data collection in research survey (Chen & Paulraj, 2004).

Study Outcomes

Measurement model is divided into Convergent and Discriminant Validity. The results show high correlation in scales and intended constructs with loadings coefficients ≥ 0.70 . There are

high internal consistency scores > 0.90 in Composite Reliability and Cronbach's Alpha coefficient (α). The results suggest model fit for the reflective measurement model. For discriminant validity, the study employs Fornell-Larcker criteria in cross-loadings assessment (Fornell & Larcker, 1981). All items are found strongly loading on the intended constructs than on others to indicate high validity measured.

Structural model utilizes the statistical significance for path coefficient to test the relationships in the hypothetical model based on t -value and confidence interval (CI) level. The results show predictor variables have significant direct impacts to Brand Loyalty with p -value $< 0.001^{***}$, t -value > 3.30 two-tailed and CI level between 0.519 to 0.227. However, have insignificant direct impacts between exogenous and endogenous constructs with probability value higher than 0.05 and t -value in the range of ± 1.96 together with CI level between -0.019 to -0.043.

Based on Baron and Kenny approach, Brand Loyalty is identified as a full mediator for construct relationship of Brand Awareness and Strong Brand Equity (Baron & Kenny, 1986). On the contrary, Community Engagement indicates low moderating effect on relationship joining Brand Awareness and Strong Brand Equity as significant probability value higher than 0.05 together with small effect size $f^2 < 0.20$. Meanwhile, Community Engagement has no moderating effects on the relationships of Brand Image and Purchase Intention to the endogenous construct when the results probability value is not significant which are higher than 0.05 and carry small effect size $f^2 = 0.129$ and $f^2 = 0.077$ respectively. Therefore, Community Engagement has low to none moderating effect in the study.

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Author's Biography

Siti Fatimah Hashim has years of working experience in multiple business areas; Accounting, Sales, Retail, Management and Entrepreneurship. She obtained Bachelor Degree (Hons) in Fashion Design and Master Degree in Art and Design in University Technology MARA. She is doing her PhD focusing in Strategic Fashion Brand Management for business sustainability. Currently, she is a Senior Lecturer in Post-Graduate Center of Limkokwing University. She has won; Research Grant GIP-UiTM (2017), Excellent Papers Awards ABRIC 2016; Commendation and recognition from London Journals Press for Article Published on Journal of Supply Chain Management Vol 7, No 4 (2018) and Awarded "Quarterly Franklin Membership" by the Editorial Board.

Assoc. Prof. Ts. Rosita Mohd. Tajuddin Ph.D has 20 years of teaching experience. She graduated from Iowa State University, Ames, IA. USA with Doctor of Philosophy Degree in 2011 majoring in Apparel, Merchandising & Design Specialization: Retail Merchandising and Rural Entrepreneurship. She has successfully handled several research grants with the latest is FRGS Grant (Phase 1 2019) for research titled: Modelling fit evaluation of a functional design uniform based on the anthropometric data. Currently, she is the Head of Study Centre (Postgraduate Studies), Faculty of Art & Design, University Technology Mara, Shah Alam, Malaysia.

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