

CHAPTER 1

INTRODUCTION

1.1 Research Background

When discussing fashion trends in Indonesia, it is definitely impossible to separate the names of fashion designers and events that took place in here during the growth of fashion trends. Fashion trends are fashions that have been popular for a time, including clothing or jewelry. The word fashion is often used in a positive way, primarily as a synonym for glamour, beauty, and lifestyle or styling that has a tendency to change on occasion. Moreover, fashion trends also represent social and economic status, and these are positions in which visibility is taken into account. The rise of world-famous designers and fashion magazines is increasingly making style or design a lucrative industry within the country.

Fashion trends are driven mostly by fashion designers who create and make clothes. In this case, the word Fashion Industry would be used as an innovative enterprise created and manufactured by fashion designers in the sense of a fashionable apparel or clothing industry. Given the growing trend in the fashion world, people are becoming more aware of their appearance and paying attention to it so that buying activities in the fashion sector are increasing.

A kind of goods which people mostly buy is fashion. Travelmaker.id concluded that Indonesia's buyer for the fashion industry reached 39.3% for man and 55% for woman in 2019.

Table 1.1 Indonesia's Fashion Buyer

Source: travelmaker.id (2019)

Based on the data shown in Graph 1.1, the number of fashion buyers in Indonesia reached nearly half of all categories on first chart. This shows that there are certain interests of people in Indonesia to fashion, particularly for women. Fashion is the kind of items that men and women buy most often. Shopping trends data from the above graph, which began in 2019, shows that men or women are purchasing fashion products. 39.3 percent purchased fashion items and accessories for the general male customers, led by 36.8 percent electronics and 18 percent household appliances. While 55 percent of total female consumers bought fashion items and cosmetics, 41 percent bought health and beauty items.

Brand image is one of the main factors affecting the intentions of consumers in the field of fashion. Since this industry has been reported to be cost-sensitive and low labor standards, it has become a serious social issue in the global market (Cooke and He, 2010). Thus, fashion companies regard CSR as an essential part of their image and sales improvement.

Fashion companies need to be scattered through a wide range of brands with regard to corporate businesses and maximize opportunities (Arrigo, 2013; Lopez and Fan, 2009). The fashion industry should therefore study how perceptions of reciprocity affect company photo, brand image and the buying intention of consumers.

The Management is a company from Indonesia. It is obvious that South East Asian countries like Malaysia and Indonesia have been able to achieve this fashion business. Once it first appeared, male managers looked for its goods in Indonesia. Everyone who works in an office always looks luxury and has always been a favorite of the executive brand.

On the basis of a 2014 survey of the Indonesian Original Brand (IOB), the management managed to transform into a dress that men wanted. Moreover, the brands available in several centers do not prevent contemporary fashion inventions by the time. The Management has created fashion items that are not less suitable for women. In Indonesian malls, this company also trades shoes , bags and wallets for managers.

Revenue from the Executive is about 2 million. So for men and women approximately one million. Sales are more or less the same, so that we can't protect anything else. For a month we sold approximately 200,000 parts. If it's about 2.4 million for one year, it means growth. For men alone, the highest (shirts) are about 400,000, since 40 percent of men's items compensate that top.

Regardless of the company, consumers base their purchasing decisions on product or service reciprocity. Therefore, it is critical that we know how to best emphasize the reciprocity of business. The greater the reciprocity, the greater the consumer's intent to purchase the product. For The Executive to increase purchases, reciprocity is therefore necessary.

The subject in this research is The Executive Tunjungan Plaza Mall Surabaya, because The Executive Tunjungan Plaza Mall Surabaya is the biggest store that opened in Surabaya. The Executive has competitive rates to compete with another company. Consumers can be drawn to the store at worthwhile prices.

The brand image and corporate nature of your product is one of the secrets of business success. The accurate brand image of your product can increase the sales of your product and create a foundation for the success of your company. In view of many employees who want to buy formal, yet trendy, high quality

and price in The Executive, this brand identity of a company may be the right option.

The principle of reciprocity is a very important component in the literature on consumer interest and is one of the most important steps to achieve competitive advantage. In a build, defined as the consumer behavior, all its consequences can be combined. They have a large store in Tunjungan Plaza Mall to enhance the customer's purchasing intention to support the executive brand image.

1.2 Research Questions

This research will analyze about:

1. Does reciprocity impact purchase intention at The Executive Tunjungan Plaza Mall Surabaya?
2. Does reciprocity impact purchase intention at The Executive Tunjungan Plaza Mall Surabaya moderated by corporate image?
3. Does reciprocity impact purchase intention at The Executive Tunjungan Plaza Mall Surabaya moderated by brand image?
4. Does reciprocity impact corporate image at The Executive Tunjungan Plaza Mall Surabaya?
5. Does reciprocity impact brand image at The Executive Tunjungan Plaza Mall Surabaya?
6. Does corporate image impact brand image at The Executive Tunjungan Plaza Mall Surabaya?
7. Does corporate image impact purchase intention at The Executive Tunjungan Plaza Mall Surabaya?
8. Does brand image impact purchase intention at The Executive Tunjungan Plaza Mall Surabaya?

1.3 Research Objectives

The objectives of this research are to explore:

1. To analyze the effect of reciprocity on purchase intention at The Executive.

2. To analyze the effect of reciprocity on purchase intention at The Executive moderated by corporate image.
3. To analyze the effect of reciprocity on purchase intention at The Executive moderated by brand image.
4. To analyze the effect of reciprocity on corporate image at The Executive.
5. To analyze the effect of reciprocity on brand image at The Executive.
6. To analyze the effect of corporate image on brand image at The Executive.
7. To analyze the effect of corporate image on purchase intention at The Executive.
8. To analyze the effect of brand image on purchase intention at The Executive.

1.4. Significance of the Study

1.4.1. Academic Benefit

Hopefully this review of the research will bring those benefits as For The Executive Company to make a race or consideration as input and information material to make it even better inside its development.

1.4.2. Practical Benefit

Ideally this research analysis would have these advantages: the advantages that can be obtained from the study are to help the executive understand knowledge material on reciprocity attitudes such as purchasing intention, brand identity and corporate image and use it as an advantage, so that the business can strengthen and enforce in the store practitioners and execute their roles more effectively. And also as material for scientific analysis from the hypotheses that have been obtained for empirical application in the field. The final value is to be used as reference material for further study.

1.5. Writing Systematic

The systematics of this study consists of five interconnected chapters which are supported below:

CHAPTER 1. INTRODUCTION

Contains the background, problem identification, research objective, significance of the study, and systematic of writing.

CHAPTER 2. LITERATURE REVIEW

Literature review explains previous research; theoretical basis regarding: reciprocity perception, purchase intention, corporate image, brand image ; relationship between variables; and research frame work.

CHAPTER 3. RESEARCH METHOD

Chapter 3 in this study will describe the research design; variable identification; operational definition of variables; variable measurement; data types and sources; data collection tools and methods; population, sample, and sampling techniques; data analysis.

CHAPTER 4. ANALYSIS AND DISCUSSION

This chapter contains explanations based on data descriptions, data testing activities, testing hypotheses, and discussions.

CHAPTER 5. CONCLUSIONS AND SUGGESTIONS

The final chapter in this study contains conclusions from the analysis of the previous chapters and suggestions for improvement for further research.

