Online Apparel Purchase and Responsible Consumption Among Malaysians

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Abstract – **Customer loyalty is a critical factor for the long-term success of all businesses, especially in the Malaysian apparel industry and its growth where the competition is intense. This study addresses the growing demand for improved fashion trends and brand recognition among consumers in Malaysia, which has intensified competition in the apparel sector. The primary objective of this research is to investigate the impact of online brand image, country of origin and online customer loyalty on apparel shoppers' loyalty. To achieve this, research framework is designed to present an in-depth understanding of identified variables towards customer loyalty. In this study, a comprehensive survey using online questionnaire for data gathering was used and 147 valid responses were obtained from Malaysian online shoppers of apparels. Data were analysed by employing multiple regression analysis. The results demonstrate that both online brand image and country of origin exert a positive influence on customer satisfaction, thereby contributing to enhanced customer loyalty within the clothing and footwear industry in Malaysia. Additionally, this research emphasizes the importance of ethical purchasing decisions when shopping online, as these decisions encourage responsible consumption and reduce environmental impact.**

Keywords – **Responsible consumption, online customer loyalty, consumer behaviour.**

1. Introduction

In recent years, there has been a rise in concern regarding consumer loyalty. This interest was a result of globalization of competition, market saturation, and advancements in information technology [3]. These changes have increased consumer awareness, resulting in a situation where price alone is no longer sufficient to ensure a company's prosperity in the long run. In today's uncertain business landscape, companies rely on long-term consumer relationships for success. This certainly shows how customer loyalty can significantly impact a business's success. Furthermore, it was discovered that, depending on the industry, it is possible to increase profits by as much as 60% by reducing potential switching by 5% [16]. Since the emphasis on marketing has shifted from acquiring new customers to retaining existing ones, it follows that the growth and retention of loyal customers are crucial to the long-term success of the companies.

Acquiring new e-customers can make customer relationships unprofitable for up to three years [17]. Therefore, online businesses must build loyal customer base and track segment profitability. Few businesses succeed in generating e-loyalty; however, the mechanisms involved remain unclear [20].

Malaysia Retail Sector forecasted to grow at 5.94% CAGR from 2023 (USD84.6 billion) - 2028 (USD112.9 billion). According to [7], apparel industry's significance is often overlooked amidst other industries. Over the course of the past few years, the clothing sector of the fashion merchandising industry has grown steadily [1]. Malaysia, as a developing nation in Southeast Asia, has the most promising landscape for clothing and footwear retailing. Malaysia Retail Sector expected to grow from $84.63 billion in 2023 to $112.93 billion by 2028, with Women's Apparel segment leading at 5.94% CAGR [1], [7]. Apparel stores must focus on building customer loyalty to maintain satisfaction and prevent brand switching. The research questions focus on key factors, the most influencing factor, and strategies for retaining or winning back customers.

2. Literature Review

Bain & Company [6] research shows that loyal customers are more profitable to a firm due to their lower servicing costs, price sensitivity, increased spending, and word-of-mouth. It is also claimed that it costs up to six times more to get a new customer to buy a product than to re-purchase an existing customer [3]. Customer loyalty is a critical factor for the long-term success of business organizations. Customer loyalty is defined as the willingness to recommend a product or service to another person, which is the strongest sign of customer loyalty [2], [16]. Similarly, e-loyalty refers to the customer's favorable attitude towards electronic businesses, influencing repeat purchases. The theory of reasoned action, proposed by Martin Fishbein and IcekAjzen [8], aims to understand the behavioral intent of humans by focusing on individual attitude and subjective norms surrounding a behavior. This framework is useful for identifying and measuring causal reasons for behavior intention [11].
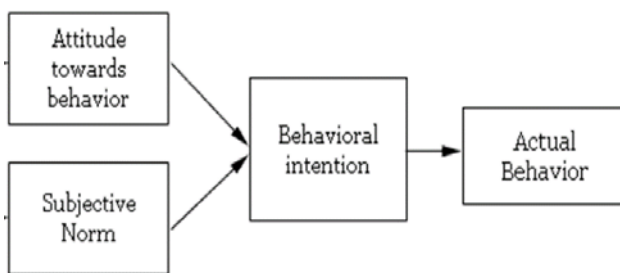

Figure 1. Model of reasoned action [8]

Attitude and social norms influence behavioral intention, which in turn influences actual behavior, as depicted in Figure 1. The above theory aims to direct audience behavior in a desired direction by focusing on the target audience's attitudes and norms. This understanding helps design more accurate interventions to influence loyalty. Specific reasons explain why customers behave in certain ways, affecting their loyalty to products, brands, or organizations [8].

2.1. Malaysian Apparel Industry in Nutshell

Malaysia's contract manufacturers produce a wide range of world-renowned brands, including Yves St. Lauren, Alain Delon, Gucci, Adidas, Nike, Reebok, Brooks Brothers, Kohl's, Polo, Ralph Lauren, and Calvin Klein. With their superior quality and designs, regional brands such as Padini, British India, and John Masters have entered the global market. Somerset Bay, East India Company, Seed, and Anakku are also attempting to increase their market share among the domestic middle class.

Notable luxury apparel brands in Malaysia include Lewis, Armani Exchange, Calvin Klein, Zara, Quik Silver, Padini, Fcuk, Timberland, Tommy Hilfiger, Guess, and MGN. The local apparel market remains highly competitive, dominated by international brands like Zara, Esprit, Levis, Giordano, and Adidas.

Padini Holdings Bhd, the owner of Padini, Vincci, SEED, and Padini Concept Store, was the best performing local company in 2022. However, other local players in the apparel industry remain fragmented, with less customer loyalty to their lower-priced products. Major players in the industry undertook marketing and promotional activities in 2022 to recapture the lost share. The Malaysian government hosts the Mega Carnival Sale three times a year to boost the clothing and footwear sector and advertise Malaysia as an affordable purchasing destination. This boosts business, foreign tourist spending, and foreign exchange earnings. The clothing and footwear industry's contribution to the Malaysian national economy is undeniable, and textiles and apparels are expected to remain important export products for Malaysia [12].

2.2. Independent Variables and Customer Loyalty

A strong brand image is crucial for online apparel shoppers reducing product evaluation uncertainty to boost purchase intentions [4]. E-shoppers often struggle with physical product examination, leading to the use of recognizable cues like familiar brand names in evaluating product value and store image [14], [15], [21]. Brands with positive image gain competitive advantages by increasing consumer interest and attention [4], [5], [9]. This can encourage repeat purchases and reduce perceived risk [14]. Therefore, **H1** hypothesis is proposed: There is a positive relationship between online brand image and customer loyalty.

Country of origin is also a factor affecting customer loyalty, particularly in the apparel industry [10]. Malaysians tend to view Europe-made apparels as good quality and with a superior fashion image, leading to a sense of loyalty towards Europe-made products. This loyalty extends to other Europe-made products sold in Malaysia, benefiting retailers operating in the country. The extent of this loyalty will be investigated in Malaysian apparel purchases. Thus, **H2** hypothesis is proposed: There is a positive relationship between country of origin and customer loyalty. By understanding consumer preferences, marketers can create an enabling environment to retain and win back customers.

3. Materials and Methods

The survey's construction and evaluation of each item and question were consolidated based on previous studies that analyzed customer loyalty in associated businesses. Using questionnaires, a database is compiled, and a multiple regression analysis is implemented for statistical analysis.

This study focuses on Malaysian apparel consumers in the Klang Valley, a region with a population of nine million according to the 2022 census. Klang Valley comprises Petaling Jaya, Klang, Putra Jaya, Shah Alam, Subang Jaya, Damansara, and Ampang. The target audience in these cities is relatively large and can be reached online easily and effectively. The area is known for its commercial cities, shopping malls, and companies, making it a hub for Malaysian industry and commerce. The target population is specifically Malaysians aged 18 and above, and a sample size of 150 is sufficient for the study. This quantitative research analyzed factors influencing customer loyalty in the apparel industry using online questionnaires. Convenience sampling was employed, and 147 valid responses were collected from 150 closed-ended questionnaires (with a 5-point Likert scale).

Demographic data was collected from respondents, including gender, age, ethnicity, education, income, and occupation, to provide background information for the study. The data was analyzed using regression analysis.

4. Results and Discussions

The research involved the descriptive analysis of sociodemographic data on consumers. Then correlation and regression tests were done on the variables, and hypotheses to determine relationships between the proposed variables were then analyzed. Table 1 depicts the survey that revealed a significant gender composition, with 61 male consumers and 86 females, with the majority aged between 18-50. The consumers were predominantly between 23-30 years old, with 10.9% aged 18-22 and 1.4% aged 41-50. Malaysian ethnic groups included 12.9% Malays, 62.6% Chinese, and 21.1% Indians.

Many consumers have at least high school education, with 4.8% being high school leavers, 17.7% diploma holders, 27.2% bachelors, 41.5% masters, and 8.8% doctorate holders. Monthly income ranges from 19.7% to 61.9%, with 30.6% students and 4.8% self-employed.

Table 1. Socio demographic profile of consumers

Variables	Values	Frequency	Percentage %
Gender	Male	61	41.5
	Female	86	58.5
Age	18-22	16	10.9
	23-30	93	63.3
	31-40	36	24.5
	41-50	2	1.4
	50 and above	0	0
Ethnicity	Malay	19	12.9
	Chinese	92	62.6
	Indian	31	21.1
	Others	5	3.4
Education	High School	7	4.8
	Diploma	26	17.7
	Degree	40	27.2
	Postgraduate	61	41.5
	Doctorate	13	8.8
	Professional Qualification	0	0
	Others	0	0
Income	Less than RM1,000	29	19.7
	RM1,001 – RM5,000	91	61.9
	RM5,001 – RM10,0000	25	17.0
	RM10,001-20,000	2	1.4
	Above RM20,000	0	0
Occupation	Student	45	30.6
	Self Employed	7	4.8
	Employed	95	64.6
	Others	0	0

4.1. Factor Analysis and Reliability of the Instrument

Factor analysis was used to group items for multiple-item measurement, removing non-fitting items and items tested individually. This study used two independent variables, brand image and country of origin, and conducted factor analysis to test their reliability using three items. Results are presented below in Table 2.

Table 2. Internal Consistency Value and Significance

Construct		Composite Reliability	Cronbach's Alpha
Brand Image	BI	0.821	0.797
Country of Origin	COO	0.903	0.903
Satisfaction	SATISF	0.880	0.880
Customer Loyalty	CL	0.808	0.734

The three items used to measure brand image were highly correlated and reliable, with Cronbach's Alpha at 0.797, measure of sampling adequacy (MSA) at 0.690, individual MSA above 0.6, communities above 0.5, and the component matrix above 0.4. These items should be accepted for their reliability in measuring brand image.

The reliability analysis shows three items measuring country of origin, with Cronbach's Alpha 0.903 and MSA 0.749. The correlation matrix is significant, with individual MSA greater than 0.6 and communities greater than 0.5. These items are reliable for measuring customer loyalty.

Three items were used to measure brand satisfaction: whether the brand lives up to general expectations, brand satisfaction in quality, and customer satisfaction. The reliability analysis showed high correlations, with Cronbach's Alpha at 0.888, MSA at 0.672, individual MSA greater than 0.6, communities greater than 0.5, and a component matrix above 0.4. These items are highly reliable in measuring satisfaction and should be accepted.

Four items were tested to determine if they could be grouped together. One item, "changing to another brand involves a risk that might turn out not to satisfy me," was discarded due to communality. The remaining three items met all factor analysis assumptions, with Cronbach's Alpha at 0.808 and MSA at 0.712. The remaining three items met the criteria for reliability in measuring customer loyalty, indicating their acceptance. All items showed high consistency and validity, indicating the questionnaire's validity and ability to represent factors.

4.2. Hypotheses Analysis

The study's original hypotheses were revised for correlation and regression analysis due to the presence of the intervening variable. Researchers found that the presence of customer satisfaction either mediates or moderates the relationship between brand image and country of origin and customer loyalty. The study used the Pearson correlation test that measures the association between independent variables (brand image and country of origin) and continuous variables (customer satisfaction) with the dependent variable.

The revised **H1a:** *There is a positive relationship between brand image and satisfaction.* The Pearson correlation (Correlation coefficient value, r= 0.347) test shows a positive association between brand image and customer satisfaction, with higher perception resulting in increased luxury apparel purchases and loyalty. Therefore, Hypothesis 1 is supported. Most consumers found a positive relationship between brand image and customer satisfaction, supporting [14] claim that brand image attracts and retains customers, even at higher prices. A well-positioned brand positively influences customer satisfaction and may lead to loyalty.

The revised **H2a:** *There is a relationship between country of origin and customer satisfaction.* The Pearson correlation (Correlation coefficient value, r= 0.365) test showed a positive association between country of origin and customer satisfaction, indicating that customers recognize the manufacturing country's image in increased spending on apparel. Country of origin significantly impacts customer spending in the apparel industry, as identified by [14]. This loyalty is evident in Malaysian customers' purchases of apparel products. Country of origin positively influences satisfaction and may lead to customer loyalty, supporting the hypothesis H2.

The collected data suggests the need for a test of customer satisfaction (CS) over customer loyalty, suspecting there is a role satisfaction plays in between before a customer decides if to stay or switch brands or purchases. Thus, **H3a:** *Customer satisfaction via brand image and country of origin affects customer loyalty.*

Researchers used multiple regression analysis to measure the strength of the relationship between customer loyalty (outcome) and brand image, country of origin, and customer satisfaction (predictors) variables. This determines the significance of each predictor in the relationship, typically by statistically eliminating the effect of other predictors.

Table 3. Relationship between BI and COO with customer satisfaction

Model (R^2=0.072)	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Constant	2.158	1.720		1.254	.213
Brand Image	.892	.297	.262	3.008	.003
Country of Origin	-.320	.093	-.301	-3.447	.001

(Notes: The dependent variable is Satisfaction where R^2=0.360, F=10.917, sig=0.000)

The F test of 9.947 shows that the overall regression is significant. The R2 of 0.580 is explained by the regression. It shows that regression has a reasonable fit where else the t value 1.254 shows that the (Brand Image) BI and (Country of Origin) COO independent variables have a positive influence on CS. The results in Table 3 show that brand image is a significant factor influencing customer satisfaction in the luxury apparel industry (t=3.008 and sig=0.003). The significance level of 0.01 reveals that brand image positively influences the satisfaction of shoppers and their desire to remain loyal customers. The result is consistent with studies [6], and [3] in which the authors state that consumers who are attracted to or attached to a brand due to its brand image are likely to remain loyal despite other factors.

In addition, the standardized coefficient indicates that brand image has the second-greatest impact on customer satisfaction and consequent brand loyalty, relative to other variables.

COO is a significant determinant of customer satisfaction and consequent brand loyalty in Malaysia's luxury apparel industry (t==3.447, sig=0.001). This result is consistent with the findings of [6] who identified COO as one of the factors influencing consumer loyalty in the apparel industry. The country of origin has an impact on consumer satisfaction and, consequently, customer loyalty, as indicated by the standardized coefficient.

Table 4. Relationship between CS and customer loyalty

Model (R^2=0.072)	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Constant	5.160	.384		13.449	.000
Satisfaction	-.311	.101	-.269	-3.074	.003

(Notes: The dependent variable is customer loyalty where R^2=0.072, F=9,450, sig=0.000)

Table 4 reveals CS is a significant factor influencing customer loyalty in the apparel industry. H3a is supported as positively influencing shoppers' satisfaction, aligning with [3] findings that satisfied buyers are loyal, while dissatisfied ones leave for alternative providers.

Brand image, and country of origin contribute to customer satisfaction, ultimately leading to loyalty in apparel purchases among Malaysians.
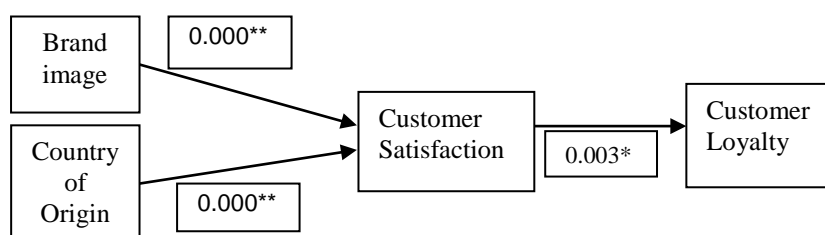

Figure 2. Revised study framework

Figure 2 shows the revised framework drawn for this study following the hypothesis test results. The results reveal that H1a, H2a, and H3a were all accepted. Figure 2 presents a summary of the hypotheses results. The correlation coefficient and significance level are also shown. ** means that the hypothesis is significant at the 0.01% level; * means that the hypothesis is significant at the 0.05% level. Therefore, the brand image and country of origin have an impact on satisfaction prior to a decision for loyalty. Thus, the study concludes that only the level of satisfaction determines the intensity of loyalty among consumers in the apparel industry.

5. Conclusion

Foreign and local players are competing for customer loyalty as the Malaysian apparel industry swiftly transforms into a competitive marketplace. Factors like brand image and country of origin significantly impact customer loyalty, with online brand image being the strongest. Brands are crucial for the apparel industry, as they offer assurance, form buyer identities, build customer loyalty, and establish values and quality. With a growing number of local and foreign brands, effective brand positioning and management are essential. To create an online brand image, apparel stores can utilize social media marketing, including online communities, networks, and blog marketing. With the rapid adoption of social media, apparel stores must leverage this platform to promote their products and position their competitive brands in the market.

Apparel store chains must improve service quality to compete effectively and increase customer loyalty. This can be achieved by continuously assessing service quality using a reliable measuring instrument. Demographics reveal that Malaysians in their early 20s are more likely to be satisfied with apparel stores, while students and working-class Malaysians are also likely to be satisfied. Marketers can target these groups through discounts, and loyalty programs. Postgraduate and high school students are more loyal potential consumers, prompting apparel retailers to develop marketing strategies to attract them. Consequentially, the findings are consistent with the literature and serve as a guide for clothing and footwear marketers in Malaysia to make decisions that will increase consumer satisfaction and, consequently, encourage responsible consumption, which by default confirms loyalty. Online merchants must remain focused on their productions and promotions, which will benefit society and nurture customer loyalty. Marketing or product innovations should lead to responsible consumption.

Thus, the obvious solution for implementing responsible consumption is advanced recycling, which Malaysian apparel manufacturers might adopt in taking their apparel brands forward.

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