

## **MARKETING STRATEGY FOR FASHION INDUSTRY VERSUS CIRCULAR ECONOMY**

**Retno DEWANTI<sup>1\*</sup>, Tjia Fie CHU<sup>2</sup>, Irlia AULIA<sup>3</sup>, Ria EKASARI<sup>4</sup>**  
**1-4 Global business Marketing of Binus Business School, BINUS University**  
**\*retnodewanti@binus.edu**

### **ABSTRACT**

Fashion industry and the dynamics of modest wear becomes an opportunity that could be use by the entrepreneurs. It required a development of a strong brand image and consumer engagement and drive it to purchase decision. Social media marketing in instagram could be a friendly alternative for the company to deliver a set of messages to the customers, lead the customer to shape an image of the company and bond the mutual relationship to exchange value. Constant buying of fashion is a waste. Along with the waste of fashion consumers, practical shows that the fashion Waste Management process has not been carried out much and has not had a real breakthrough strategy to overcome it. Circular economy is the choice of recommended method to overcome it.

**Keywords:** fashion, industry, brand, customer, waste management

### **1. INTRODUCTION**

The creative economic development in Indonesia began with the support of the 5th President of the Republic of Indonesia, Mr. Susilo Bambang Yudhoyono in 2006 when Pekan Produk Budaya Indonesia was held and continued until the issuance of President Regulation of the Republic of Indonesia Number 6 of 2015 about the Creative Economy Agency or Badan Ekonomi Kreatif. President Joko Widodo has established a new non-ministerial institution, namely the Creative Economy Agency (Bekraf) and it considered as an area that needs to be strengthened, promoted and encouraged in order to improve the national economy.

The growth of the fashion industry in Indonesia promises good opportunities with the emergence of fashion events such as Indonesia Fashion Week starting in 2012 which seems to be a sign of the emergence of awareness of the Indonesian people and fashion enthusiasts towards the fashion industry. This has an impact on Muslim fashion in Indonesia, as evidenced by data that the fashion industry is ranked second with a contribution of 18.15% to the Gross Domestic Product (GDP) of the creative economy in 2017.

Fashion entrepreneurs take advantage of the digital era by using Instagram as a marketing and communication tool. By carrying out the concept of modest wear that is casual, glamorous, and premium by highlighting the feminine side, comfort, and elegant cutting, this creates buyers' interest in collecting without considering how long the clothing trend has cycled until it is no longer suitable for use. Currently, entrepreneurs are required to compete for product sales opportunities, therefore various media are used for marketing such as using the live chat services WhatsApp and Line. The dynamic development of modest wear moves quickly to compete with new innovations. Competition with new players is inevitable. On the one hand, fashion entrepreneurs look for marketing strategies that attract consumers to buy, but on the other hand, consumers will continue to be obsessed with new things that make them behave compulsively. In general, the life of the use of fashion itself is very short. The world awaits a mountain of fashion junk. Waste creates a sustainable social and environmental crisis (Bick et al. 2018).

Several countries take advantage of the opportunity for fashion waste to be exported to Indonesia. The market for used clothes from abroad at low prices turned out to be successful in getting consumers in Indonesia. This resulted in the fashion industry sluggish to deal with it. For this reason, it is time for thinking and strategies to anticipate local waste and overcome the import of illegal fashion waste from abroad. It is necessary to implement a recycling strategy which should have become a serious choice for the local fashion industry starting from the collection of used domestic products to processing into other products and so on into waste again.

### **2. THEORETICAL REVIEW**

#### **SMME (Social Media Marketing Effort) and brand image**

The SMMEs should not only be thought of as a means of raising brand awareness and reaching new customers, but also as an increasingly important and serious brand image building tool (Godey B. et al, 2016). Today's brands should no longer regard social media marketing as a way to reach consumers, but also as an important and cost-effective

image building tool (Godey B. et. al, 2016). social media is part of the promotional mix covered to brand communication paradigm. Bruhn et. al. (2012) revealed that both traditional communications and social media communications have a significant impact on brand equity. While traditional media has a stronger impact on brand awareness, social media communications strongly influence brand image.

### **SMM and consumer engagement**

Previous research by Ashley C. & Tuten T. (2014) said that brands that used the most social media channels had more followers and higher engagement scores. The higher engagement score is not surprising since engagement scores factored in the number of social media channels used. In addition to the interactive aspect, social media has an interpersonal aspect, so normative and informational influences may work for, or against, the brand, depending on consumer engagement (Mangold & Faulds, 2009).

### **Brand image and purchase decision**

Brand image can be said to be the brand affiliation or shopper's recognition around a specific brand as a result of their relationship with the brand (Karam & Saydam, 2015). Brand image is the positive differential effect that knowing the brand name has on customer response to the product or service. The consumer's purchase decision will be to buy the most preferred brand can come between the purchase intention and the purchase decision. Purchase decision is the stage of the buyer decision process in which the consumer actually buys the product (Kotler & Armstrong, 2016). Besides that, user ratings allegedly provide an almost perfect indication of product quality with little search costs (Simonson, 2014).

### **Consumer engagement and purchase decision**

Customer engagement is important in understanding customers' reaction to a particular product or brand. Getting better customer participation is beneficial for the firms in encouraging customer to make decisions. (Barhemmati N. & Ahmad A., 2015). Review is one of the dimensions of consumer engagement, and according to de Langhe et. al., (2016), consumers are dependent on the number of users who have rated the product and the variability of the distribution of ratings when they reach the point of purchase decision.

### **Fashion industry waste**

The fashion industry is one of the most wasteful consumer industries in the world. (Bridges, 2021). The process of the fashion industry starts from providing raw materials, producing them into apparel products, promotions and advertising, to the final behavior after purchase, which is discarded. This happens continuously and becomes an endless waste. In addition, the growth of the textile industry encourages increasingly diverse fashion innovations and is supported by a seamless distribution system that makes it easier for the supply chain to reach consumers. In the end, it is important to develop a waste reduction strategy as a way to reduce the rate of waste.

### **Circular economy**

The Circular Economy as a mode of economic development based on ecological circulation of natural materials, requiring compliance with ecological laws and sound utilization of natural resources to achieve economic development (Feng et al, 2007). This economic concept is in the form of a circular flow where the work process focuses on the efficient use of sustainable products. In the fashion industry, the circular economy practice is carried out through 4 principles; reduce, reuse, recycle, recovery and repair, which are solutions to the waste of clothing materials and the accumulation of fashion waste.

### **Business process**

The fashion marketing process through Instagram makes consumers have a close relationship with the fashion products being marketed so they are interested in buying. A well-known fashion brand is one of the added values to increase buying behavior. The decision to buy has an impact on business profits, but it is necessary to review whether business people in the fashion industry are responsible for the final process of products that will become waste.

The current condition is that fashion products are designed and produced only to satisfy the needs of clothing without considering the life cycle of the product. There is no more awareness to think about how to produce fashion products that have a longer and sustainable life cycle. What is meant by "waste" is not only used clothes, fabrics and threads, but also consists of chemical waste, clothing dyes and accessories used. Until now, waste from the fashion industry has not received serious attention from fashion observers or environmental observers in Indonesia. In addition, so far

there have been no waste observers who have succeeded in processing fashion waste into a new product that has business value.

The combination of research results followed by the implementation of community service encourages environmental observers and business people to work together to think about the impact of fashion industry activities. Therefore, academics hold various discussions about the fashion industry to gather new ideas that become a bridge between business interests and concern for environmental sustainability, which often have opposite goals.



Figure 1: Flyer of Focus Group Discussion by Academician

### 3. DISCUSSION

Based on previous research, it is stated that Social Media Marketing Efforts (SMME) have a positive effect on Brand Image and Consumer Engagement which have an impact on purchase decisions (Aulia, 2017). The success of marketing efforts carried out by the fashion industry has created an intense line of communication so that consumers feel free to order the products they want and make shopping activities that keep abreast of fashion developments a current trend or lifestyle. The fashion industry is gradually getting motivated to design production and promotion strategies that have an effective creative appeal to increase consumer engagement. This customer engagement is the hope of entrepreneurs to retain their customers. Customers who are satisfied with the relationship are certainly motivated to make loyal purchases and are obsessed with buying often.

Tabel 1: Purchase decision of fashion industry research output results

<i>Hypothesis</i>	<i>T Statistic</i>	<i>Result</i>
H1: There is a positive and significant influence between <i>SMME</i> and <i>Brand Image</i>	524.921	Accepted
H2: There is a positive and significant influence between <i>SMME</i> and <i>Consumer Engagement</i>	23.179	Accepted
H3: There is a positive and significant influence between <i>Brand Image</i> and <i>Purchase Decision</i>	6.589	Accepted
H4: There is a positive and significant influence between <i>Consumer Engagement</i> and <i>Purchase Decision</i>	5.103	Accepted

Research proves that the stable fashion industry has succeeded in creating its brand image, nevertheless it is able to manage customer engagement so that it has a positive impact on purchases. The influence of social media marketing

efforts makes a real contribution to brand image & consumer engagement that drives purchase decisions. The fashion industry that is able to build relationships with its customers has made fashion consumerism more real. The ease of using social media such as providing responses via direct messages, comments, and reposting photos encourages consumers to behave consumptively because they feel they have no limits on having the desired items and often consumers become impulsive and buy fashion products that are not needed. Bilal G. et. al (2014) stated that Instagram stories, Instagram photos regularly, uploading photos with human objects, and being active regularly aim to increase prospects, which in the long run effectively affect behavior.

Brands that have succeeded in providing a positive image for the wearer have become a priority choice regardless of price. The success of the fashion industry in setting premium prices has influenced buyers to spend more money because of the prestige and feeling of elevated social status. This effort to create a brand image encourages consumers to always buy and is associated with social status which encourages consumer behavior to accelerate the age of fashion which ultimately has an impact on sustainable waste. The collaboration of the fashion industry with endorsers also results in higher consumer interest because consumers indirectly change their behavior to resemble their idols. Fans of endorsers who are formed into loving communities will be easily influenced by persuasion from members of their community. This opportunity makes consumers who are not ready to buy finally buy. The level of consumer readiness to buy because of the reference group in the community.

Exhibitions held by the fashion industry encourage the image of fashion brands to become more recognizable (Forbes, 2016), and become a reference for fashionistas, changing trends that spur purchases and have an impact on waste. Consumerism is an inevitable part that requires comprehensive attention to accompany it. Fashion waste treatment can be done through the Circular Economic (CE) approach method which proposes a new sustainable business model (Witjes & Lozano, 2016). Old business practices that are still being found are selling used fashion, and recycling services.

#### 4. CONCLUSION

The circular economic approach is a method that can be applied in assisting the fashion industry to help maintain environmental sustainability for the waste it produces. Not only thinking about the process of treating the waste but also thinking about choosing the right raw materials for the next use process after the clothing product is disposed of by the consumer so that it is still feasible to be used as other valuable products. The fashion industry that has succeeded in owning well-known brands needs to think about sharing the economy on the profits it gets by setting aside profits for the waste treatment process.

The fashion industry should think about the extraction of raw materials by using nylon which has strong natural fibers to be recycled and minimizes the capitalization of cotton. The fashion industry that already has a well-known brand should be an example of the recycling process by re-collecting branded used clothes to be designed with new trends or using recycled materials for other products such as making bed covers, blankets, vitrage, doormats, cleaning tools, toys crafts, and many more. Fashion waste can be reused and provides benefits for human survival and reduces environmental damage due to waste that is not treated properly.

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