

HOW PARASOCIAL INTERACTION AFFECTING PURCHASE DECISION ON FASHION INDUSTRY (LOCAL BRAND)

Astri Theresia¹, Aurellia Dayefiandri², Kanina Asmarani³

^{1,2,3}BINUS Business School Master Program, Bina Nusantara University, Indonesia

¹Astri.theresia@binus.ac.id, ²Aurellia.dayefiandri@binus.ac.id, ³Kanina.asmarani@binus.ac.id

ABSTRACT

The interaction happened between an individual on social media, which created the parasocial interaction often by following, liking, and interacting with the influencer on social media. They can also decide to buy products or visit the places found on the influencers' page. Thus, the influencer's credibility becomes important in terms of the effect the message transmitted to the audience. There were 105 Indonesian males and females who live in Jakarta and have bought products from the local fashion brand. This study showed the parasocial interaction between the customers and the influencers wearing the products affects purchase decisions toward local fashion brand products. The phenomenon comes from the credibility created by the influencer on their social media, the more attractive, trustworthy, and expert the influencer is, the higher the interaction created between them. Credibility becomes a factor in someone's decision-making. It also shows that they also originated the value perception toward the local fashion brand, which previously those value perceptions only appeared in the research of the luxury product.

Keywords: Parasocial, Interaction, Purchase, Fashion

ABSTRAK

Interaksi yang terjadi antara individu di media sosial, yang menciptakan interaksi parasosial sering kali dengan mengikuti, menyukai, dan berinteraksi dengan influencer di media sosial. Mereka juga dapat memutuskan untuk membeli produk atau mengunjungi tempat-tempat yang ada di halaman influencer. Dengan demikian, kredibilitas influencer menjadi penting dalam hal efek pesan yang disampaikan kepada audiens. Terdapat 105 pria dan wanita Indonesia yang tinggal di Jakarta dan pernah membeli produk dari merek fesyen lokal. Penelitian ini menunjukkan interaksi parasosial antara konsumen dan influencer yang mengenakan produk mempengaruhi keputusan pembelian terhadap produk merek fesyen lokal. Fenomena tersebut berasal dari kredibilitas yang diciptakan oleh influencer di media sosial mereka, semakin menarik, dapat dipercaya, dan ahli, semakin tinggi interaksi yang tercipta di antara mereka. Kredibilitas menjadi salah satu faktor dalam pengambilan keputusan seseorang. Hal ini juga menunjukkan bahwa mereka juga mencetuskan persepsi nilai terhadap merek fesyen lokal, yang sebelumnya persepsi nilai tersebut hanya muncul pada penelitian terhadap produk mewah.

Kata kunci: Parasosial, Interaksi, Pembelian, Fashion

INTRODUCTION

Influencer marketing helps a brand's message be received by its target market using social media influencers. This strategy has existed since the 1930s, and social media has greatly affected this. In the 20th century, only celebrities could become an influencer in fashion, but today, with social media, everyone is allowed to become an "influencer" and offer their recommendation to the masses (Suci, 2020).

In the Indonesian market, brands have actively used influencers to develop an awareness of their brand, and it occurs in small local brands to the high-end brand. In the influencers' world, there are types of influencers some researchers suggest can be classified as micro-influencers (own less than 10,000 followers) and macro-influencers (own 10,000-1000,000 followers) (Hatton, 2018). Half of the internet audience made their purchasing decision based on the recommendation of influencers on social media which means that the audience has trust

in the social media influencers, leading to an increased probability of purchase (Su et al., 2021). A recent report showed that 71% of firms track sales from their influencer campaigns & 68% intend to increase their influencer marketing budget than before (Geysler, 2022), which means that people have the intention to buy products after seeing them on the influencer's page. 37% of the Gen-Z follow fashion trends and 42% of them said they get fashion inspiration from social media (Hoang, 2023).

In other research, almost half of the respondents stated that they had been influenced to buy products promoted by the influencers, specifically for fashion. The respondents said their reason for buying is when the products worn by the influencer look great, and it was also because they intend to look for fashion inspiration (Nainggolan, 2018). From that survey, it appears that influencer is an important strategy for the Indonesian market, including the local fashion industry, since the survey

found that the influencers' daily fashion from local brands catches their attention the most.

Nowadays, with the help of Instagram, the combination of brand and influencer has triggered to create awareness and purchase of promoted products. It happened because influencers have their audiences (followers) who have an emotional closeness that could help the followers get inspired by the promotion & review from the influencers and trust to do the purchasing (Nainggolan, 2018).

A previous study has learned that most of the audience said social media is the main factor for their fashion styling, with 89% of them choosing to buy them after seeing influencers wear them (Nova, 2023). Fashion is one of the most popular industries, with over 600 million search results on social media, which means that this market is huge, and they are always looking up influencers. Maryati M & Utami (2023) found that endorsing influencers for local fashion brands in Indonesia could help increase customers' purchase intention, and the same findings found by Jansom & Pongsakornrungsilp (2021) on Thailand in the luxury fashion brand. Thus, some research explains how an influencer can impact the audience's intention to buy products, including how impactful influencers are in the fashion industry.

There is a gap in the research since only a few discussions on which type of influencer impacts the value perception and purchase intention of local brand fashion in Indonesia, whereas there is a difference between both types of influencers in terms of their relationship with their followers.

Brands choose influencers to help promote their products since their posts often explain how products or services work or discuss their quality and uniqueness. The brand uses influencers to affect customers' purchase intentions (Johansen & Guldsvik, 2017). Influencers are perceived as more credible, believable, and knowledgeable, and 82% of the audiences are likely to follow their advice which leads to building a perception of brands (Azim & Nair, 2021). The phenomenon can be explained by using the parasocial concept, which the interaction happened with the concept of parasocial interaction (PSI). One study concluded that the PSI with influencers can affect positive customer value perceptions and impact purchase intention (Jansom & Pongsakornrungsilp, 2021).

A previous study by Jansom & Pongsakornrungsilp (2021) found that the use of influencer marketing for luxury fashion reinforced a deep understanding of luxury consumption based on value perception to purchase intention. However, there is still little study to discuss the implication of influencer marketing on local fashion brands based on the perceived value to purchase decision-making. Discovered that influencer marketing for high-end

apparel further solidified a thorough comprehension of luxury spending rooted in the relationship between perceived value and intent to buy. When it comes to the perceived value to purchasing decision-making, however, there has been very little research on the implications of influencer marketing for local fashion firms.

Prior literature is only focused influencer could led to customer intention to purchase a luxury item (Jansom & Pongsakornrungsilp, 2021). In comparison, some research might discuss how influencers might help customers to make purchase intentions. There is still little discussion about which type of influencer can help a corporation or brand get their result effectively and how the interaction can lead to customer decision making, not only to create purchase intention. Because there are so many influencers in the Indonesian fashion sector, this study intends to determine which ones are most suited to helping local firms make the most of their marketing budgets.

RESEARCH METHODS

The research utilized a questionnaire survey method with closed-ended questions, as outlined by Kabir (2016). Probability sampling means that every item in the population has equal chance of being included in the sample (Taherdoost, 2016; Yang & Banamah, 2014). This online survey was designed to target specific characteristics and was administered to a sample of 150 respondents residing in Jakarta, all of whom had previously made purchases of local fashion brands influenced by Instagram influencers. Sample selection for this research involved both questionnaire distribution and the utilization of primary data.

The questionnaire utilized a Likert scale 1-5 and comprised twenty-six items, drawn from various sources corresponding to each variable. Specifically, eleven items measuring influencer credibility were adapted from Zheng et al. (2022). While four items for parasocial interaction and ten items for value perception were adapted from Jansom & Pongsakornrungsilp (2021).

Additionally, four items regarding purchase decisions were adapted from Momani (2015). This research used Structural Equation Model (SEM) and is calculated using the Partial Least Square (PLS) approach. PLS employs a component-based approach that is not highly demanding on sample size and residual distribution (Esposito Vinzi & Russolillo, 2013). The approach is suited for testing complex structural models as it avoids inadmissible solutions and factor indeterminacy.

Table 1. Respondents' Profile

Measure	Item	Number of Respondents*
Gender	Male	12
	Female	93
Age	< 20 years old	5
	21 - 30 years old	90
	31 - 40 years old	10
Marital Status	Single	60
	Married	45
Latest Education	High School	10
	Bachelor's degree	95
Average Monthly Income	< Rp. 5.000.000	5
	Rp. 5.000.000 - Rp. 10.000.000	80
	>Rp. 10.000.000	20

Note. Numbers given as the number of respondents are equal to the percentage values given that the sample size was 105.

Out of 201 sets of questionnaires received, only 105 respondents who live in Jakarta and have bought products from the local fashion brand are the qualified respondents for this research. While analyzing the demographic characteristics, it was found that 88.57% of the respondents were women and men represented 11.43%. The respondents' profiles also showed that most of the respondents were bachelor's degrees. Additionally, 47.62% of the respondents received an average monthly income between Rp.5000.001 to Rp.10.000.000. 37.14% of the respondents obtained an average income of less than Rp.5000.000 per month, while 15.24% of the respondents received an average monthly income of more than Rp.10.000.001.

Hypothesis

- H1: Credibility of Influencer has positive impact to Parasocial Interaction
- H2: The credibility of the influencer has to affect Parasocial Interaction.
- H3: Parasocial Interaction has affecting on Value Perception.

H4: Value Perception has affected Purchase Decision

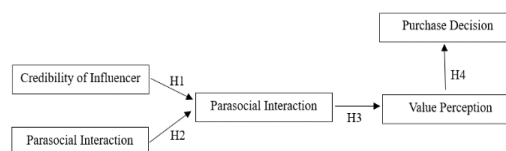


Figure 1. Research model

RESULTS AND DISCUSSIONS

Measurement Model

Several tests must be done to test the convergent and discriminant validity of the measurements. To test the convergent validity, a factor loading value of > 0.5 is needed to be considered valid. In addition, its average extracted variances (AVE) value is also needed to be greater than 0.5. To test the reliability, each measurement's composite reliability value (CR value) must be greater than 0.7 to be considered reliable.

Table 2. Validity and Reliability Test Results

Variable	Measurement Item	Factor Loading (>0.5)	AVE (>0.5)	Composite Reliability (>0.7)
Credibility of Influencer	CI1	0.665	0.652	0.865
	CI2	0.732		
	CI3	0.672		
	CI4	0.733		
Parasocial Interaction	PI1	0.890	0.722	0.781
	PI2	0.723		
	PI3	0.645		
Value Perception	VP1	0.673	0.689	0.923
	VP2	0.880		
	VP3	0.692		

Purchase	PD1	0.701		
Decision	PD2	0.601	0.821	0.872
	PD3	0.632		

After the second run, it is now clear that all measurements' factor loading, AVE, and C.R. value have met their required value, thus making it all valid and reliable. Aside from the convergent validity, discriminant validity must also be tested. A discriminant validity test can be done by looking at the HTMT Ratio. An HTMT Ratio less than 0.9 will conclude valid results of the items as seen in Table 3.

Table 3. Discriminant Validity Test Result Using Htmt Ratio

	CI	PI	VP	PD
CI				
PI	0.394			
VP	0.435	0.322		
PD	0.753	0.521	0.345	

Hypothesis Test Results

Based on the path coefficient table, the relationship between Credibility of Influencer and Parasocial Interaction has a t-statistic value of 8.738 and p-values of 0.000. Moderating Effect 1 on Parasocial Interaction has a t-statistical value of 0.987 and p-values of 0.324, and Moderating Effect 2 on Value Perception has a t-statistical value of 0.47 and p-values of 0.636. Those show that the moderating variable named type of influencer does not have a significant relationship with parasocial interaction and value perception.

The relationship between Parasocial Interaction and Value Perception has a t statistic of 12,461 and a pvalue of 0.000. The relationship between Value Perception and Purchase Decision has a t statistic of 22.712 and a p-value of 0.000. This explanation can conclude that only three significant relationships or variables have a t-statistic value above 1.960 and a p-value below 0.05, namely the relationship between Credibility of Influencer and Parasocial Interaction, the relationship between Parasocial Interaction and Value Perception, and Value Perception of Purchase Decision.

Table 4. Hypothesis Test Results

Hypothesis	Path Coefficient	T Statistics	P Values
H1	0.673	8.738	0.000
H2	0.102	0.987	0.324
H3	0.005	0.74	0.636
H4	0.723	12.461	0.000

The results of testing the first hypothesis (H1) show that the relationship between the Credibility of Influencer and Parasocial Interaction variables has a t-statistic of 8.738 and a p-value of

0.000. Thus, that can be concluded that the influencer's Credibility positively influences Parasocial Interaction. There are three dimensions of the variable Credibility of the Influencers: Attractiveness, Expertise, and Trustworthiness. From the results of the Path Coefficient of the three dimensions, the Trustworthiness dimension has the most influence on Parasocial Interaction.

The results of testing the second hypothesis show that the relationship between the credibility of influencers and Parasocial Interaction moderated by the type of influencer has a t-statistic value of 0.987 and p-values of 0.324, so from the results of this test, it can be concluded that Credibility of influencers has no effect on Parasocial Interaction moderated by type of influencer.

The results of testing the third hypothesis show that parasocial interaction with Value Perception moderated by type of influencer has a t statistic of 0.074 and p values of 0.636. From this result can be concluded that Parasocial Interaction with value perception moderated by the type of influencer does not have a significant relationship.

The result for the fourth hypothesis indicates that Parasocial Interaction has a significant positive effect on value perception, shown by the value of the t-statistic at 12.461 and p-value of 0.000. Three dimensions shape the customer perception of a brand or product. Through these findings, the researcher found that parasocial interaction affects each dimension. The most significant one is that parasocial interaction has a higher impact on the respondent's personal value with a t-statistic value of 12.178 and a p-value at 0.000.

The discussion of the research results obtained can be presented in the form of theoretical description, both qualitatively and quantitatively. In practice, this section can be used to compare the results of the research obtained in the current research on the results of the research reported by previous researchers referred to in this study. Scientifically, the results of research obtained in the study may be new findings or improvements, affirmations, or rejection of a scientific phenomenon from previous researchers.

Discussion

There are three dimensions of the variable Credibility of the Influencers: Attractiveness, Expertise, and Trustworthiness. From the results of the Path Coefficient of the three dimensions, the Trustworthiness dimension has the most influence on Parasocial Interaction. This finding is supported by earlier research that revealed if an Instagram influencer is honest, it will lead to establishing the PSI (Sokolova & Kefi, 2020). Credibility of

influencers has no effect on Parasocial Interaction moderated by type of influencer. An influencer who posts an advertisement or a review for a product without having confirmed strong knowledge of the product features will not always be considered a credible supply for endorsing that product.

In a previous study, a famous Instagram influencer, social media customers might not always consider the authenticity of the number of followers based on their followership. Instead, customers trust that powerful "micro-celebrities" have to be "attractive, inspirational, of relevance to and capable inside the use of the product, responsive to the user, energetic, sensible, unique, and professional of their posts. It supports the result that there their no significant relationship between the moderating variable since it is not about the number of followers but the credibility of the influencer themselves that attract the customer (Djafarova & Trofimenko, 2019).

This is because not all influencers can build parasocial interactions with their followers and create value perceptions correctly because, basically, many influencers have not succeeded in creating parasocial interactions. Influencers must also be able to create credibility for their followers. It is in line with research from Jiménez-Castillo & Sánchez-Fernández (2019). The construct of supply credibility, first proposed, presumes that individuals are much more likely to be persuaded once they perceive a fact supply to be credible, but it does not depend on the type of influencer that creates the value perception. The result for the third hypothesis indicates that Parasocial Interaction has a significant positive effect. Three dimensions shape the customer perception of a brand or product. Through these findings, the researcher found that parasocial interaction affects each dimension. The most significant one is that parasocial interaction has a higher impact on the respondent's personal value.

This result is supported by earlier research on Thai Millennials, where Instagram influencers create personal value that makes the influencers' followers encounter a trend via them and consider purchasing an expensive item on their own. They also tend to consider their social status and maintain their image in society (Jansom & Pongsakornrungrungsilp, 2021). The findings show that influencers affect Jakartan Millenials' value perception. Moreover, if a previous study associated the value perception towards luxury fashion items through this study, we learned that local fashion brands also created significant value perception for them. The results of testing the fourth hypothesis show that parasocial interaction.

From this result can be concluded that Parasocial Interaction with value perception moderated by the type of influencer does not have a significant relationship. The results of testing the fifth hypothesis indicate that the value perception

with the purchase decision, so from the results of this test, it can be concluded that the value perception has a significant positive effect on the purchase decision. Value perception has three dimensions: conspicuous, personal, and social. Thus, this indicates that these two dimensions do not significantly relate to purchasing decisions. This indicates if Jakartan decide to buy the product from local fashion because it will increase their social status on social media.

CONCLUSION AND SUGGESTION

Based on the results and discussion, this study reveals that parasocial interactions between customers and influencers significantly influence the purchase decision of local fashion brands, with influencer credibility based on attractiveness, trustworthiness and expertise playing a key role in shaping consumer perceptions. The findings suggest that local fashion brands can increase their perceived value, similar to luxury brands, by collaborating with credible influencers, regardless of type.

However, this study has limitations in that the sample size may not be sufficient to represent the population. Therefore, future research is recommended to use a larger sample size and a different industry context. Secondly, the data was collected through a quantitative survey using structured questions. As such, future research could involve other research methodologies to confirm the findings. Future research can also examine other marketing factors that contribute to consumer decision-making towards local fashion brands.

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