14th ISCA 2024

The Impact of Brand Image, Perceived Quality, and Fear of Missing Out (FOMO) on Generation Z's Purchase Decision in Choosing Barbershop Services: A Case Study of Gunting Ajaib Barbershop, Yogyakarta

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ABSTRACT

This study aims to analyze the influence of brand image, perceived price, perceived quality, fear of missing out (FOMO), and brand overload on Generation Z's purchasing decisions when selecting barbershop services in Yogyakarta. The background of this research is based on the rapid growth of the barbershop industry as part of a lifestyle, especially for Generation Z who are highly connected to social media and tend to be influenced by digital trends. Factors such as brand image, perceived price, and perceived quality play a significant role in shaping purchasing decisions, while the phenomena of FOMO and brand overload also influence their behavior in choosing services. Generation Z is often confronted with an excessive flow of information, both from social media and promotions, which can lead to confusion in making decisions. This study employs a quantitative approach with a survey method involving Generation Z students in Yogyakarta as respondents. Data is analyzed using multiple linear regression to test the influence of each variable on purchasing decisions. The results of this study are expected to contribute to barbershop owners in designing more effective marketing strategies, as well as for academics interested in studying consumer behavior in the digital era.

Key Words: brand image, perceived quality, FOMO, purchase decision, Generation Z, barbershop.

1. Introduction

In recent years, the grooming services industry, particularly barbershops, has experienced rapid growth in Indonesia. This growth is driven by various factors, including changing lifestyles, increasing urbanization, and global trends influencing individual appearance preferences. Yogyakarta, as one of Indonesia's major cities with a strong student base, has also experienced this growth. According to data from the Ministry of Industry (2023), the beauty and personal care services sector in Indonesia, including barbershops, grows an average of 10% per year, with major cities like Yogyakarta being one of the main markets experiencing significant increased demand.

Barbershops have become more than just places to get a haircut; they have become part of a lifestyle, especially for Generation Z. Generation Z, defined as individuals born between 1997 and 2012 (Schroth, 2019), has unique characteristics. They grew up in the digital age and are highly influenced by technology, social media, and rapidly evolving trends. Gen Z has higher expectations for the services they consume, including grooming.

Generation Z, born and raised in the digital age, has extremely fast and broad access to information, especially through social media. This generation heavily relies on digital platforms like Instagram, TikTok, and YouTube for information, including making purchasing decisions. However, this great openness to information also causes the phenomenon of information overload. According to Eppler and Mengis (2004), information overload occurs when someone receives too much information, making it difficult to distinguish what is relevant and what is not. In the context of Generation Z, the excessive flow of information from various social media platforms can lead to confusion and reduce the effectiveness of their purchasing decisions.

One aspect that greatly influences Generation Z's purchasing decisions is brand image. According to Kotler & Keller (2016), brand image is a consumer's perception of a brand formed through direct and indirect interactions with the product or service. In the context of barbershops, brand image is crucial because Generation Z often uses social media like Instagram and TikTok to search for reviews and recommendations about barbershops they want to visit.

Furthermore, perceived quality is also a key factor in consumer purchasing decisions. Zeithaml (1988) defines perceived quality as a consumer's evaluation of the quality of a product or service they receive, based on direct or indirect experience. In the service industry like barbershops, perceived quality is often determined by several factors, such as the professionalism of the barber, the cleanliness of the place, the atmosphere of the barbershop, and the final result of the service provided.

In addition to perceived quality, the phenomenon of Fear of Missing Out (FOMO) also plays a significant role in influencing Generation Z's purchasing behavior. FOMO is the fear or anxiety that arises when someone feels left behind from trends or experiences considered important by their social group (Przybylski et al., 2013). Generation Z, which is highly connected to social media, often sees the latest trends in hairstyles or barbershop services through platforms like Instagram and TikTok, triggering FOMO if they don't follow those trends. FOMO can drive them to make quick purchasing decisions to maintain a social image and have experiences similar to others in their social circle (Abel et al., 2016). In the context of barbershops, this can make Generation Z more likely to choose barbershops that are highly popular on social media or that are widely reviewed by their peers, regardless of the price or quality of the services offered.

According to the Yogyakarta Central Statistics Agency (2023), the population aged 18-25 in Yogyakarta, the primary target of barbershops, exceeds 200,000, with the majority being students enrolled in various universities in the city. These students often have unique preferences in choosing the services they consume, especially in terms of grooming, which has become part of their lifestyle. They not only seek affordable services but also consider service quality and the barbershop's image. Therefore, understanding their purchasing behavior is crucial for barbershops aiming to compete in the Yogyakarta market.

Gunting Ajaib Barbershop is a newly established barbershop in Yogyakarta since 2023. Despite being new, the barbershop has been trying to promote itself through various digital channels,

especially Instagram and Google Business, with one of its target consumers being Generation Z in Yogyakarta. Gunting Ajaib Barbershop offers affordable services, ranging from Rp 15,000 to Rp 20,000. With this price range, the barbershop focuses on the lower-middle segment, especially students and young workers in Yogyakarta. However, despite its competitive price, the barbershop is still not widely known. This poses a challenge in attracting customers, especially among Generation Z who tend to be highly influenced by brand image, service quality, and trends they see on social media.

This research is essential to understand how brand image, perceived quality, and FOMO influence Generation Z's purchasing decisions when choosing barbershop services. Gunting Ajaib Barbershop is a relevant case study as it is a real-world example of a newly established barbershop, still in the process of developing its brand image, but has been trying to utilize social media as a promotional tool. This research is expected to provide insights into effective strategies for barbershops to attract Generation Z consumers, especially in the lower-middle segment. Additionally, the results of this study are expected to help other new businesses in the service industry develop more effective marketing strategies in the digital era.

2. Literature Review

2.1 Brand Image
Brand image is a consumer's perception of a brand based on their experiences and interactions with the product or service. According to Keller (1993), brand image encompasses a variety of associations that come to mind when consumers think of a brand. These associations can be related to product quality, price, reliability, or emotional experiences associated with the brand. The more positive these associations are, the better the brand image in the eyes of consumers.

Furthermore, Aaker (1991) stated that a strong brand image serves as a driver to differentiate a product or service from its competitors, thereby increasing customer loyalty and adding value to the company. In service industries such as barbershops, brand image is crucial because the services offered are intangible, making consumers' perceptions of the brand key to purchasing decisions.

2.2 Perceived Quality
Perceived quality is a subjective evaluation by consumers of the superiority or reliability of a product or service offered. Zeithaml (1988) defines perceived quality as "a consumer's overall evaluation of a product or service in comparison with alternatives." In the service industry, perceived quality is often influenced by various dimensions, such as the skills of the workforce, the comfort of the facilities, and the consistency of the services provided.

Parasuraman, Zeithaml, and Berry (1985) proposed that in service industries, perceived quality consists of five core dimensions:
- Reliability – the ability to provide the promised service accurately and consistently.
- Responsiveness – willingness to help customers and provide prompt service.
- Assurance – knowledge and courtesy of staff and their ability to instill confidence in customers.
- Empathy – personalized attention given to customers.

● Tangibles – the appearance of physical facilities, equipment, and personnel.

2.3 Fear of Missing Out (FOMO)

Fear of Missing Out (FOMO) is a psychological phenomenon referring to the feelings of anxiety or fear experienced by individuals when they feel left out of trends, experiences, or information that is considered important by their social group. According to Przybylski et al. (2013), FOMO is characterized by a strong desire to constantly stay connected to what others are doing in order to not miss out on experiences that are perceived as interesting or important. FOMO often arises in digital social contexts, especially on social media, where individuals constantly see the lives and activities of others that can lead to dissatisfaction with their own life experiences.

FOMO has a significant impact on consumer behavior, particularly in terms of purchasing decisions. The fear of missing out makes consumers, especially those from Generation Z, more likely to immediately purchase trending products or services, even if they may not actually need them. In this context, FOMO can act as a strong motivator that drives consumers to follow the latest trends, including in choosing services like barbershops that are popular on social media. Research by Hodkinson (2019) found that FOMO plays a significant role in increasing consumer impulsivity, especially among social media users who are frequently exposed to marketing content and reviews from influencers or peers.

2.4 Purchase Decision

A purchase decision is the final stage of the consumer decision-making process that involves selecting a particular product or service after evaluating various alternatives. Engel, Blackwell, and Miniard (1995) explain that the purchase decision-making process consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior.

According to Kotler and Keller (2016), purchase decisions are also influenced by psychological factors such as motivation, perception, learning, and beliefs. For Gen Z, factors such as brand trust and perceived service quality greatly influence whether they will choose one barbershop over another.

3. Research Methodology

3.1 Types of Research

This study employs a quantitative approach with an explanatory research design. Explanatory research aims to explain the causal relationship between independent and dependent variables (Sugiyono, 2019). In this context, the variables examined are brand image, perceived quality, and FOMO as independent variables, and purchasing decision as the dependent variable. This method is used to analyze how these three variables influence the purchasing decisions of Generation Z in choosing barbershop services in Yogyakarta, with Gunting Ajaib Barbershop as a case study.

3.2 Research Location and Subjects

This research was conducted in Yogyakarta, focusing on Gunting Ajaib Barbershop. This barbershop has been operating for one year since its establishment in 2023. The target market for this barbershop is the lower-middle segment, with service prices ranging from Rp 15,000 to Rp 20,000. The research subjects are Generation Z students in Yogyakarta, in line with the research objective to analyze their purchasing decisions.

3.3 Research Population and Sample

The population in this study is all Generation Z students in Yogyakarta who regularly use barbershop services. According to the Yogyakarta Central Statistics Agency (BPS) (2023), the number of Generation Z students in Yogyakarta is estimated to exceed 200,000. The research sample was taken using purposive sampling, which is part of non-probability sampling. Purposive sampling was chosen because the researcher wanted to ensure that the respondents involved met the criteria relevant to the research objectives, namely Generation Z students who use barbershop services and are active on social media. The sample size was determined using the Hair formula for research with a Structural Equation Modeling (SEM) analysis model, with a minimum requirement of 5-10 times the number of indicator variables (Hair et al., 2010). This research uses 15 indicators for all variables analyzed, then the minimum sample size required is 15 x 10 = 150 respondents.

3.4 Data Collection Techniques

Data collection in this study used a questionnaire method. The questionnaire was developed based on a 5-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). The questionnaire will be distributed online using Google Forms to reach Generation Z students in Yogyakarta. The research instrument will be adopted from previous research related to the variables of brand image, perceived quality, FOMO, and purchasing decisions, with some adjustments for the barbershop context. The variables in this study are measured using several indicators as follows:

- **Brand Image**: Measured based on respondents' perceptions of the barbershop's reputation and image on social media (Aaker, 1991; Keller, 1993).
- **Perceived Quality**: Measuring how respondents assess the quality of service, atmosphere, cleanliness, and professionalism of the barber (Zeithaml, 1988).
- **FOMO**: Measured based on the level of anxiety of respondents in following trends related to grooming services and barbershops (Przybylski et al., 2013).
- **Purchasing Decision**: Measuring whether respondents have purchased or plan to purchase barbershop services based on the influence of previous variables (Kotler & Keller, 2016).

3.5 Data Analysis Techniques

The data obtained from the questionnaire will be analyzed using multiple regression analysis with the help of SPSS software and Structural Equation Modeling (SEM) through AMOS. The data analysis process involves several stages as follows:
- **Validity and Reliability Test**

Validity test is used to measure whether the instrument used can measure the intended variable accurately. Reliability test is conducted to ensure the consistency of respondents' answers in the distributed questionnaire (Ghozali, 2018).

- **Classical Assumption Test**
  Includes normality test, multicollinearity test, and heteroscedasticity test to ensure that the regression model used in the study does not violate the basic assumptions of linear regression (Gujarati, 2009).
- **Multiple Regression Analysis**
  Used to determine the simultaneous and partial effects of independent variables (brand image, perceived quality, and FOMO) on purchasing decisions (Arikunto, 2010).
- **SEM**
  Model Structural Equation Modeling (SEM) is used to test the causal relationship between variables and assess the model fit based on values such as GFI (Goodness of Fit Index), AGFI (Adjusted Goodness of Fit Index), and CFI (Comparative Fit Index) (Hair et al., 2010).

3.6 Operationalization of Variables

The following are the operational definitions of the variables used in this study:

- **Brand Image (X1)**: The brand image formed from consumers' perceptions of reputation, aesthetics, and social media interactions (Aaker, 1991).
- **Perceived Quality (X2)**: Consumers' evaluation of the quality of service received, such as the barber's skills and the cleanliness of the place (Zeithaml, 1988).
- **FOMO (X3)**: The anxiety experienced by consumers when they feel left out of social trends, especially on social media (Przybylski et al., 2013).
- **Purchasing Decision (Y)**: Consumers' actions in choosing and using barbershop services based on considerations of brand image, perceived quality, and FOMO (Kotler & Keller, 2016).

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