

## CHAPTER I

### INTRODUCTION

#### 1.1 Background of the Study

Nowadays, urban communities in big cities are increasingly becoming consumptive. It is because their need for satisfaction that also feels important to fulfill along with the primary utilities. According to the research released by the Indonesian Institute of Sciences in 2018, it turns out that the Indonesian people are classified as the type of society with a high level of consumptive behaviour. Compared to other countries whose economic sector growth is slightly stable, such as Scandinavia and Switzerland, Indonesia ranks third with a somewhat consumptive population out of a total of 106 countries sampled for this study. Meanwhile, Scandinavia and Switzerland ranked 60th and 70th. Although from a psychological point of view, our society's daily consumption activities are full of beliefs, this is not something that should be appreciated.

The huge amount of consumptive behavior in Indonesia is caused by the presence of advertisements in various media, both online advertising media (e.g social media, email marketing, landing pages, video marketing), and offline advertising media (e.g newspaper, tv advertising, radio, posters, brochures) (Rezza 2018). Besides, the significant increase in marketing also contributes to the increase of consumptive lifestyles.

Lifestyle is a pattern of action that distinguishes one individual from another. The development of urban lifestyle trends in big cities that are centered on consumption activities developed by the capitalist culture industry can be found in the consumptive patterns of society. For some people, consuming a product is no longer a basic need, but for both material and symbolic purposes to mark class, status, or style/symbol of certain social status as a reflect someone's lifestyle (Channey 1996).

According to Channey, lifestyle is a characteristic of a modern world or called modernity, which means that people living in a modern society use the idea of a lifestyle to describe actions (Channey 1996). The pattern of the lifestyle of the urban community which is more concerned with the brand of the products is an image of individuals in big city in Indonesia. Indonesian society has lived and grown along with the history of economic globalization and the transformation of consumer capitalism. With this increasingly swift current of globalization, many more international products of well-known brands are enter Indonesia. One of these brands is Apple Computer, Inc as one of the largest technology companies in America founded by Steve Jobs is famous for its bitten apple logo.

The company designs, develops, and sells a wide range and variety of technological devices. Apple is a widely used brand worldwide, which can trigger fanaticism that is shown in consumption practice. There are several reasons why the writer chose Apple Computer, Inc consumerism as a suitable case study object in this Cultural studies research. First, Apple is an American product that has now become an artefact of popular culture in the world. Second, Apple's products in this

context have changed the consumption culture that was previously only seen as goods produced and used according to their function, now into an artefact that transcends consumerism ideology to its consumers or users. In the words of Karl Marx, "The mode of production in material life determines the general character of the social, political, and spiritual progress of life" (Marx 1970). Indeed, according to Marx, there are two outcomes of a capitalist enterprise: production and consumption.

Apple has an urban character, a sophisticated and cosmopolitan identities. It is the premium mark that must be paid dearly for Apple products. Apple realizes that for many people, the usage of technology and innovation is not only for information and telecommunications needs, but also has become a rite that involves many meanings in it (Linzmayr 2004). Apple has an elite and exclusive image which, from the very beginning, was created by Steve Jobs et al., not only as a usual technology device but also has its artistic value. Therefore, the Apple brand is also one of the well-known brands and luxury in Indonesia targeted at the upper class.

Consumption of goods with high-end brands or luxury goods function to create excessive pride compared to using non-luxury goods, reconstruct identity, and raise the status or social class of users (Friedman 1994). Therefore, this trend leads to the emergence of consumption of counterfeit goods among the lower-middle class as the shortcut because they can not afford the expensive price of the origin gadget. The phenomenon of taking shortcuts to consume something is also explained in a journal written by Lina, regarding people on the border of Malaysia and Indonesia who also have limitations or obstacles in consuming goods (Puryanti

and Husain 2011). People of all economic backgrounds may seek to purchase and show off things that indicate prosperity, and status symbols to identify social class positions (Goffman 1959). Consumers want to identify themselves with the branded items to be equivalent to users of the original one.

Along this vein, this research examines the consumer's behavior in consuming the counterfeit of luxurious Apple products, the motives or reason behind it, and the identity construction. The combination of the need for consuming the high brand yet unreachable price for sake of building a certain lifestyle leads to the rise of consuming the counterfeit ones. It is suitable to Fournier's stated: "Consumers do not choose brands, they choose lives" (Fournier 1998).

In addition to the obvious economic advantage, what other benefits do buyers gain from the purchase and usage of counterfeit goods? In agreement with Goffman (1959), Grubb and Grathwohl (1967), and Commuri (2009) opinions, people may seek to purchase and show off things that indicate their wealth, and status symbols to identify social class positions. Hence, the consumption of counterfeit luxury goods are working to project a desired social image.

The consumers here no longer see the importance of technological products, but the the prestige and social status they get. In other words, the users of these counterfeit goods actually only consume a symbol or the value, not the product or function. Apple here has been placed as a brand that can increase the prestige and social status of its users in the object of consumption. So that people or consumers who can afford to purchase Apple products feel different from other people who

have not this Apple products. Apple has been able to shift the value of a set of innovation and technological device or gadgets and has become a social symbol. One of the example is the use of AirPods that becomes an AirPods phenomenon.

AirPods are representative of a larger suite of wearable technologies often called “hearables” (Taylor 2015). It is wireless earbuds that were released in September 2016, but in 2018 AirPods went from relative obscurity to the second-highest-selling Apple product ever within two years of launching. Back in 2016, AirPods were roundly mocked and ridiculed by the tech industry due to the launch of a new model of tiny wireless earbuds which judged unpowerful compared to regular wire headphones. Now after a years, the tables have turned. Fast-forward to 2018, AirPods have transformed into the highest-selling product ever and become a prestigious and wealth status symbol. Apple is well aware of this development, with CEO Tim Cook telling shareholders that AirPods have become a cultural phenomenon. In October 2019, Apple released the new AirPods Pro. It offers a tweaked design over the original AirPods, along with a customized fit, active noise-cancellation, sweat- and water resistance, and superior on-device controls. They can listen to music, make phone calls, use voice commands, and more with AirPods (Gilmore 2019). AirPods Pro became the new kind of ‘flexing’ item and of course, it has the highest price since it is the top model of AirPods.

Because the AirPods Pro is the highest variant of the AirPods from the giant technology company Apple Computer, Inc, which dominates the hearables market far away from its competitors, AirPods Pro is one of Apple's products that has a massive users around the world and has a very high selling price, but the massive

users are from variety segment or class. One example is students who generally have no income can buy AirPods Pro for \$159 in US and Rp.4.199.999 in Indonesia which is becomes more expensive because the customs tax. It is even still expensive for urban society in Indonesia to spending money for gadget accessories like earbuds.

Related to studies about consumption, identity, and counterfeiting, the first related study is a study by Juliana Mansevelt entitled Geographies and Consumption (Mansvelt 2005) who stated that consumerism can shape a person's identity. The writer also stated that identity formation focuses on a person's subjective sense(s) of self, feeling of being, and processes of "being" and belonging in a particular area. The second related study is a study entitled Consumerism in The Users of Apple Computer, Inc. Products (A Case Study of Faculty of Law Diponegoro University) by Rr. Anisa Caesar Intan Firdausi and Prof. Dr. Nurdien Harry Kistanto, M.A (Firdausi and Kristanto 2013). In this research, the writer finds some ways consumerism reaches the research participants and the reasons why the Apple brand can be one of the brands that have the largest number of users within the scope of Diponegoro University. Apple's exclusive market, specialized software, and opulent branding have transformed consumption and consumerism as Apple consumers apply their daily lifestyle to consume any Apple product. The third related study is a study by Mathumita Basu, Sumit Basu & Jung Kook Lee entitled Factors Influencing Consumer's Intention to Buy Counterfeit Products (Basu, Basu and Lee 2015) who revealed that all manufacturers face a serious and growing danger from counterfeit goods. Police enforcement for fake goods has not

yet developed and spread widely. By applying the theory of Reasoned Action in this study, this study succeeded in revealing several factors that influence consumer intentions to purchase counterfeit products.

This research aims to discuss the users that consume counterfeit or fake AirPods Pro and explore how the consumption of counterfeit luxury goods really matters to users as agencies or consumers, why they buy counterfeit products, and how their identity in their environment determines their positional classes. It applies the theory of consumption and identity by Mark Paterson with his famous definition that, “we define who we are through what we buy” (Paterson 2006). Therefore, this study applies the theory of Consumption and Identity by Mark Paterson.

Finally, for completing this research, the writer conducted the study among the students in Universitas Airlangga whose consume the counterfeit of AirPods Pro. Paterson's theory is in accordance with this study by his focus on the agency (the consumer of counterfeit luxury goods) through their consumption of counterfeit products, and how through the consumption, the students achieve their (fake) positional classes. In this study, the data is analyzed descriptively using qualitative methodology and uses in-depth interviews with research participants as the approach. A qualitative approach is a form of social approach that focuses on interpretation to understand the social reality of individuals (Mohajan 2018). Research participants in this study are the students at Universitas Airlangga who owned the counterfeit of AirPods Pro from the Apple brand.

## **1.2 Statement of The Problems**

Based on the background of the study above, then there are several problem statements that will be discussed in this study:

1. Why do the consumers seek the counterfeit of AirPods Pro from Apple brands?
2. Do the users use the goods to construct their identity?

## **1.3 Objectives of the study**

The objective of the study is to explore the consumption activity among the students in Universitas Airlangga through the consumption of the counterfeit from exclusive brands or luxury goods and the identity constructed. The writer argues that through the consumption of counterfeit product, consumers obtain from the original brand to acquire the identity of luxury goods as expression to gain their social identity.

## **1.4 Significance of the study**

To give people knowledge about the consumption behaviors in society and to gain a better understanding of consumerism and identity. This research examines the consumption process of the counterfeit of AirPods Pro on students at Universitas Airlangga. It will reveal the impact of the consumption process in constructing identity on their users. It is expected that people who use counterfeit goods would have different meanings toward the consumer goods and how could

the brand identity affect their image. This study also intended to give more knowledge theoretically about counterfeiting and brand identity. The writer expects that this study will give more contributes to another study about consumption and identity.

### **1.5 Scope and Limitation**

This research focused on the discussion of consumerism in research participants connected to the counterfeit of Apple's AirPods Pro and how the identity is constructed. The writer chose to analyze by taking data from the students in Universitas Airlangga who own AirPods Pro.

### **1.6 Definition of key terms**

*Consumerism*: Consumerism is a belief in an increase in the number of goods and services consumed that bring pleasure to the perpetrator.

*Luxury goods*: Luxury goods are products that are identically with rich or wealth people and are very desirable even though they are not important. Utilizing luxury goods can provide a high status for its users.

*Counterfeit*: Counterfeiting is making copies of goods. Usually in the form of valuables, works, documents, or other high-priced objects..

*Brand Identity*: Brand identity is the visible elements of a brand, such as color, design, and logo, that identify and distinguish the brand in consumers' minds.

*Savvy consumer*: A category of media-literate consumers who are knowledgeable about marketing and targeting, cynical about advertising, and who can see through traditional sales pitches. Critics argue that there is a 'con' involved in making audiences feel savvy and sceptical.

*Technology* : Technology is the way we apply scientific knowledge for practical purposes. It includes machines (like computers) but also techniques and processes (like the way we produce computer chips)