

# Impulsive Purchasing via Online Shopee of the Millennials: A Study in a Private University in Medan

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**Keywords:** Impulsive Purchasing, Online, Shopping's, Millennials.

**Abstract:** This study presents a concise understanding of the impulsive purchasing behavior via online Shopee of the Millennials. Indonesia has entered the Industry 4.0 era that is marked by the evolving of a number of e-commerce sites and online shopping's. The evolved online shopping's directly influences the Millennials' perspective on market-shopping activities. The Millennials prefer to make online purchasing's rather than the conventional ones. In this study, the phenomenon of impulsive purchasing via online Shopee was quantitatively analyzed using a correlational approach of Pearson Product Moment. The data was taken from 97 Millennials from a private university in Medan. It was found that the impulsive purchasing of Millennials was as consequences of lack of purchasing decision, Millennial's mindset and hedonic shopping motivation.

## 1 INTRODUCTION

Millennial Generation or called Generation Y is a generation that is close to technology. This generation according to (Hawkins, DI, Mothersbaugh, DL, 2013) was born between 1977 and 1994. The characteristics of this generation are daily activities that are inseparable from information and communication technology, as well as the ease of internet access that allows for a variety of information. Millennial generation criteria are found in students at Medan City Private University.

The average student is born in the generation Y period. This is also supported by research conducted by ("APJII (Asosiasi Penyelenggara Jasa Internet Indonesia," 2016) which shows the profile of internet users in Indonesia dominated by users aged 18-25 by 49%. With the sophistication of the technology, one can also conduct goods purchase transactions without having to meet directly with the seller or through a conventional store. The online application that is often used by the millennial generation is now the Shopee application. This online purchase is increasingly enjoyed because it has several conveniences, namely unlimited space and time, convenience and the best available range of product

choices (Brynjolfsson & Smith, 2000). Often we meet consumers who buy goods without being planned or known as impulsive buying. Impulsive buying is an unplanned and sudden purchase that is driven by cognitive and affective (Rookh, 1987) An impulsive person has a very strong urge to buy goods. But in making a purchase, consumers do not always meet their needs. (Holbrook, M.B, Hirschman, 1982) consumers seek fantasy and pleasure. In line with (Verplanken, B, Herabadi, A.G.Perry, J.A, Silvera, 2005) buyers who impulsively buy goods because of the factors of pleasure and enjoyment are not merely functional considerations.

Therefore, this study wants to analyze the relationship of inclusive behavior to online purchasing decisions at Shopee in the millennial generation at the Medan City Private University.

## 2 THEORETICAL FRAMEWORK

### 2.1 Impulsive Purchases

According to (Kacen, J, Jacqueline, Julie Anne, 2002), impulse buying is interpreted as an act of purchase carried out without prior consideration.

Impulsive buying is also defined as a planless purchase characterized by (1) relatively fast decision making (2) subjective prejudice in the desire to immediately own an item (Rookh, 1987). Impulsive buying is also excessive shopping behavior, unplanned and unbearable compared to planned shopping behavior. Consumers who are very impotent tend not to think about something, are easily attracted to something, and want immediate satisfaction. Such consumers often do not pay too much attention to the negative consequences that might arise due to the actions they take.

### 2.1.1 Characteristics of Impulsive Purchases

(Kacen, J, Jacqueline, Julie Anne, 2002) also states that impulse buying has a number of characteristics as follows:

1. There is an excessive feeling of interest in the product being sold
2. There is a feeling to immediately have the product sold
3. Ignoring all the consequences of purchasing a product
4. There is a feeling of satisfaction
5. The existence of a conflict that occurs between control and passion in the person.
6. Customers who often make impulsive purchases often have very low attention to the potential for negative impacts as a result of their actions

### 2.3 Buying Decision

According to (Kotler, 2005) "Purchasing decisions are a stage where consumers have a choice and are ready to make a purchase or exchange between money and promises to pay with ownership rights or use of an item or service".

(Susanto, 2012) also explained that decision making behavior by consumers to purchase products or services begins with an awareness of fulfilling needs or desires and realizes that there are further problems, then consumers will take several stages which eventually arrive at the post-purchase evaluation stage.

According to (Dewi, Magdalena, & Dhiana, 2015) purchase decision is a process of making purchasing decisions that includes determining what will be purchased or not making a purchase and the decision is obtained from previous activities. From several definitions of decision making that have been described above, it can be concluded that purchasing decisions are a decision-making process for purchases that will determine whether or not the

purchase is purchased which begins with an awareness of fulfillment or desire.

Factors Affecting Purchasing Decisions : (Kotler, 2005) states that consumer purchasing behavior is influenced by the following factors:

#### a. Cultural Factor.

Cultural factors have the most extensive and deepest influence. Culture, sub-culture, and social class are very important for buying behavior. Culture is the most basic determinant of desires and behavior. Sub-cultures include nationality, religion, racial groups, and geographical regions. Whereas social class is a relatively homogeneous and permanent division of society, which is arranged hierarchically and whose members adhere to similar values, interests and behaviors. Social classes not only reflect income, but also other indicators such as employment, education, and the area of residence.

#### b. Social Factors.

In addition to cultural factors, consumer behavior is influenced by social factors such as reference groups, families, and the role and social status of the community.

#### c. Personal Factor.

Buyer decisions are also influenced by personal characteristics. These characteristics include the age and stages of the life cycle, work, economic conditions, lifestyle, and personality and self-concept of the buyer.

#### d. Psychological Factors.

The choice of one's purchase is influenced by four main psychological factors. These factors consist of motivation, perception, learning, and beliefs and attitudes. The need will be a motive if he is encouraged to reach the stage of adequate intensity. Motive is an adequate need to encourage someone to act. Perception is a process used by individuals to choose, organize, and interpret information input to create a picture of the world that has meaning. Perception can vary greatly between individuals with one another who experience the same reality.

## 3 METHODOLOGY

The type of research used in this study is explanatory research with a quantitative approach. The research location is at Private Universities in Medan City, the reason for choosing research locations in this study is because consumers who make purchases at the Shoopee online application

are consumers aged 18-25 years. Respondents in this study were 97 respondents, determining the number of respondents using Slovin formula. The sampling technique uses a purposive sampling technique with the criteria of respondents, namely consumers who have made a purchase at least 3 times in the Shoopee Application. by using a Likert scale. This study uses descriptive analysis techniques, Pearson Product Moment correlation analysis.

#### 4 RESULT AND DISCUSSION

The research hypothesis is that there is a significant relationship between inclusive behavior and online purchasing decisions at shopee in the millennial generation at the Medan city private university. Hypothesis testing using SPSS 20.0, the results of testing this hypothesis can be seen in the following table.

Table 1: Results of Hypothesis Testing.

Correlation Model	Correlation Coefficient (r)	R table	Determination Coefisient (r <sup>2</sup> )	count	Sig
XY	0,482	0,1840	0,639	4,914	0,00

The results of the analysis show that inclusive behavior is related to online purchasing decisions at shopee in the millennial generation in the private university city of Medan. this is indicated by the value  $r = 0.482$ ,  $p = 0.000$ , so the hypothesis is accepted where there is a relationship between inclusive behavior towards online purchasing decisions at shopee in the millennial generation in the private university city of Medan.

The results of the study can be described as follows:

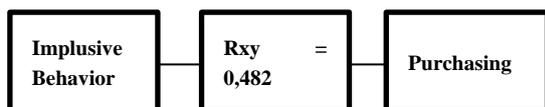


Figure 1: Research Result.

The purchase relationship is inclusive with the online purchasing decision in shopee for millennials in Medan city private university based on the results of research that has been carried out using product moment correlation analysis. It is known that the correlation between inclusive purchases and shopee's online purchase decisions in millennials in Medan 0.482 which indicates a moderate level of correlation which is in the range of 0.40 - 0.599. This value also shows that there is a positive

relationship between inclusive purchases and online purchasing decisions at shopee in the millennial generation in a private city field university because the correlation is positive.

The determination coefficient is 0.639. This means that the effect of inclusive purchases with online purchasing decisions at shopee in the millennial generation at the private university of Medan city is 63.9% and 36.1% determined by other factors.

This impulsive purchase can occur because consumers experience a crisis in purchasing planning, thinking processes and reflect when shopping. In addition, the purchasing process involves information seeking. Impulsive consumers have less quality and quantity of information about goods to be purchased (Verplanken, B, Herabadi, A.G.Perry, J.A, Silvera, 2005). Thus in the time needed by consumers to see products on Shopee's online shopping site until the purchase process is relatively short. Purchases made online are encouraged by factors such as lifestyle shooping, hedonic shopping motivation, and reference groups.

The appearance of goods or products presented on the website encourages consumers to buy them without taking into consideration the financial side and other consequences that arise from the purchase (Of, 2010). (Peck & Childers, 2006) describes if in a short time consumers feel excitement, pleasure , also satisfaction. When someone explores a website, at that time he is exposed to various information. Information obtained can be in the form of advertisements that appear on the pages of sites that are opened. Promotions and advertisements received by someone can encourage impulsive purchases (Mohammad Mahmoudi Maymand, 2012). In general, promotions or advertisements in the form of price discounts or bonuses. Likewise advertisements on the internet. However, at the online purchase discount prices are more attractive to consumers (Xu, Zhang, & Xue, 2013). This price discount is felt directly by consumers because he can easily compare prices by exploring online shopping sites. Therefore, when you get discounted information from online shopping sites, cyber explorers will be more motivated to directly make purchases.

#### 5 CONCLUSIONS

Human nature tends to be consumptive, which means that consumers always consume products or services all the time. Consumptive behavior arises besides being due to meeting diverse needs, but also

to follow the growing trend in the market. Therefore, marketers must be able to understand the desires and needs of these consumers, as well as the trends of the millennial generation that are in effect in order to create and develop their marketing strategies in the era of Revolution 4.0. Every marketing strategy set by marketers will influence consumer behavior.

The results of the analysis show that inclusive behavior is related to online purchasing decisions at shopee in the millennial generation in the private university city of Medan. indicators of inclusive behavior are lifestyle shopping, hedonic shopping motivation, and reference groups. Shopping lifestyle carried out by self-study university students in the city of Medan students tend to choose to allocate their income to get various online products and services that are able to fulfill their desires to improve social status in their daily lives. Motivation of hedonic shopping that exists in students is an impulse that gives the driving force in someone who forces him to act to buy spontaneously the items that are in the Shopee application. And consumers will tend to behave exclusively with reference groups where reference groups are two or more consumers who shop together at the same time and the presence of others can influence consumers' decisions to buy more products than if consumers shop alone.

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