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Characteristics of Indonesian Consumers and Online Purchasing Behavior

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ABSTRACT

The growth of the online market in Indonesia is in the fast category, especially since the pandemic occurred in early 2020. In fact, there has been a shift in the way of buying in Indonesian society, especially among urban communities. Apart from these circumstances, the actual increase in online purchases is inseparable from the characteristics of the consumers themselves. That the pandemic is a trigger that strengthens the characteristics of Indonesian consumers to switch to a digital lifestyle. Based on this explanation, the motive of this study is to reveal the characteristics of the Indonesian market for the shift in consumption style, from conventional to digital. Therefore, quantitative research methods are used as an effort to scientific disclosure. The subjects of this research are urban communities in Indonesia who are used to making online purchases in various marketplaces and social media, such as Tiktok and Instagram. The number of respondents in this study were 300 people using a simple random sample technique. The results of the study explain that changes in buying behavior from conventional to online are caused by internal factors of the consumers themselves, for example the strong desire to buy online which is considered easy and economical. Then, there are indications of hedonic behavior spoiled by profitable online purchasing systems, such as free shipping and lower prices.

Keywords: Online Purchasing, Consumer Characteristics, Hedonic Behavior, Marketplace, Advantages of Online Purchasing

INTRODUCTION

Information technology is currently growing rapidly and bringing major changes to the world which is required to move quickly (Kristiyono, 2015). When the world is increasingly interconnected economically and socially, the adoption of this technological development is one of the determining factors for the progress of a society. Technological developments, especially the development of the internet throughsmartphone, is something that has increased rapidly and is increasingly sophisticated in the last few decades (Simarmata, et al., 2020). According to Mawardani & Dwijayanti (2021), internet use is viasmartphone has had a major influence in producing an innovation, one of which is shopping activities. This is supported by the

statement of Farransahat, et al. (2020) that with the growing consumer interest in digital experiences and increasing adoption of technology in business, it has succeeded in changing the way people view ways to shop in various countries.

Based on the research results of Simamora & Fatira (2019), there are differences in consumer preferences as indicated by a decrease in sales turnover in traditional markets by 71% due to widespread salesonline. This indirectly changes consumer preferences, which initially carry out shopping activities directly at the store until they switch to shoppingonline use the internet throughsmartphone. In recent years researchers and experts around the world have been able to develop a better understanding of shopping appsonline throughsmartphone since the rise of the shopping industryonline (Start, 2020). Savitri (2019) states that the exponential growth of the internet and this technology has had a huge impact on shopping progressonline andecommerce.

In Indonesia itself,ecommerceincreasingly being used by people of various ages, genders, and types of work during the COVID-19 pandemic. One Directorecommercein Indonesia stated that 2020 or the year the COVID-19 pandemic started, was a transformative year for business actorsecommerce(Detik Finance, 2021). The results of a survey conducted by APJII (2022) support this statement, where it is seen that there has been an increase in the population accessing the internet in 2021-2022 with a total percentage of internet penetration of 77.02% or 210,026,769 people of Indonesia's total population in 2021 of 272,682 ,600 souls.

Some related researchpurchase intentions in shoppingonline has been carried out (Mulyati & Gesitera, 2020).Purchase intentions towards shoppingonline this is likely to remain a long-term behavior. There are several factors that have been tested in previous studies that have an impact onpurchase intentions in shoppingonline in India ieinternet self-efficacy, perceived aesthetics andperceived benefit (Sudirman, et al., 2021). According to Veronica & Rodhiah (2021)purchase intentions from shoppingonline in Portugal was also influenced byhedonic motivations of adventure.

This research adds to the existing literature regarding consumer purchase intentions in shopping online by focusing on people in Indonesia. Among the various possible ways to shoponline, usesmartphone as a result of increased spendingonline in Indonesia also support this research. The findings of the 2019 Nielsen Digital Consumer

added that as many as 98% of Indonesians use devicessmartphone to access the internet in the last two (2) years (Nielsen Media Indonesia, 2020). This study proposes a conceptual framework to understand the factors that influence Indonesian consumers' shopping intentionsonline throughsmartphone by adopting a multidimensional approachinternet self-efficacy, perceived aesthetics, perceived benefit, andhedonic motivations of adventure. Better understanding relatedpurchase intentions society in Indonesia as a whole can increase technological development both directly and indirectly and will affect transformationecommercein Indonesia. The benefits of this research can also be felt by actors and consumersecommercein Indonesia in enhancing their shopping experienceonline.

THEORETICAL BASIS

Internet Self-efficacy

Self-efficacy refers to the perception and belief that an individual has skills that can effectively succeed in carrying out a certain action (Zheng, et al., 2020). Several studies have conceptualized the development ofself-efficacy this one against the internet called Internet self-efficacy (ISE). According to Keshavarz (2020), ISE refers to individual beliefs in making transactionsonline. An individual who has levelsself-efficacy Those who are low will feel uncomfortable and insecure in making transactionsonline. Gültekin's research results, et al. (2020) show that buyers with high ISE will be confident in carrying out shopping activities and in developing positive perceptions about shoppingonline. Kuo, et al. (2020), found a positive relationship between ISE which influences the perceived benefits of shopping consumersonline.

Suana, W. (2018) suggests that ISE shows the perceived confidence of internet users in carrying out a behavior on the internet. Several researchers have found a positive relationship between ISE andpurchase intentions (PI) while shoppingonline (Schlebusch, C. L. (2018). According to McLean et al., (2020) skilled buyers tend to show strong purchase intentions. In addition, several other researchers have examined skills in the use of technology includingsmartphone, as a determinant of purchase intentiononline (Keegan et al., 2021). ISE can act as a stimulus for consumer purchase intention when shoppingonline.

Perceived Aesthetics

Researcher in the fieldhuman-computer-interaction (HCI) reveals that the user's perception of web designonline assist consumers in determining their preferences and enhancingexperience user while shoppingonline (Dayan, et al. (2019). Based on the research results of Raghavan, et al. (2019). the aesthetics of shopping websitesonline can affect user satisfaction. Some of the research results above can be said to be the benefits ofperceived aesthetics (PA). According to (Wen & Lurie, 2019), PA is better than a shopping siteonline make the perceived benefits of users higher. The results of the study (Jahani, 2019) also show that the PA from the websiteonline affectperceived benefit (PB).

Some research that has been done refersaesthetics web as a web appearance, aesthetic design, visual appeal, andperceived aesthetics (Apaolaza, et al. 2020). A shopping websiteonline intuitive, clear, logo and easy navigation design, can make consumers do shopping activitiesonline effectively. There is an association relationship between the PA of a website and PI. According to (Horng & Hsu, 2020), a shoponline considered attractive and attractive in reflecting the professionalism of the shoponline and can influence consumer perceptions so that purchase intentions will emerge from these consumers. Furthermore, research related to the role of website designonline that affects PI it says that websiteonline Interesting things can enhance the good experience of consumersonline (Sybaite, et al. 2020).

Hedonic Motivations

According to Arul Rajan (2020) motivation can be influenced if the stimulus has some relevance for consumers. When the consumer recognizes a need, the motivational process begins, and this can be useful in seeking a product function as well as in a hedonic direction, involving multi-sensory aspects, emotions, fantasies, or bad experiences. Santo & Marques (2021) states that everyone hashedonistic nature in shopping. Studying the motivation of consumers when shoppingonline has become one of the priorities in research related to spendingonline. According to Widagdo & Roz (2021) Hedonic Motivations affect consumer purchase intention when shoppingonline.

Perceived Benefit

Perceived benefit (PB) can be interpreted as a positive perception of involvement in certain activities (Ganasegeran, et al., 2017). Schulte, et al. (2022) added

thatperceived benefit also reflects the perception of individuals in seeking satisfaction from the activities they do. PB can be defined in several ways including ease of use, perceived benefits, ease of finding information and comparisons between products, as well as special discount offers (Loh & Hassan, 2022).

METHOD

This study uses the principle of positivism or known as quantitative terms, and survey methods are used to collect research data. The research data were obtained by distributing questionnaires using a simple random sample technique. The target population used as respondents is Indonesian society totaling 300 people who live in urban areas, have experience in accessing and conducting online shopping transactions through marketplaces and social media, the number of online purchases every month is at least 2 times, and online purchases using personal money.

The research questionnaire was distributed via the Google form from August to October 2022. Each item was evaluated on a 5-point Likert e Scale, where point 1 is strongly disagree to point 5, which is strongly agree. The hypothesis relationships in this study were tested using Partial Least Squares-Structure Equation Modeling, as a statistical multivariate analysis so that the variables in the study can be analyzed simultaneously. Phenomenon testing includes instrument validity tests, partial and simultaneous regression estimation tests, and determination tests.

RESULT

Characteristics of Respondents

During the questionnaire distributed in May–June 2022 in Indonesia, there were 280 respondents who had filled out the questionnaire, but only 248 respondents were valid or did shopping*online* at least 3 times in the last 3 months. When viewed from gender, respondents who shop*online* the majority were female, namely 71.4% and the remaining 28.6% were male. Based on age, the majority of respondents were aged 24-32 years as much as 44.8%. The majority of respondents' jobs are private employees with a total of 119 respondents or as much as 48%. In terms of income, the majority of respondents have an income of > IDR 10 million per month, which is 28.6%.

Validity and Reliability Testing

Based on the test results data, all indicators are declared valid because they have*factor loading is greater than* 0.30. In the reliability test measurement of five (5) variables, it can be concluded that the five variables*realiable* for having*Cronbach's Alpha* with a value of 0.800 greater than 0.70. Thus all measurement indicators are valid and reliable and all will be used in testing the research hypothesis.

Research Findings

Based on the results of data processing, it is known that of the 8 hypotheses constructed, 6 hypotheses are supported and 2 other hypotheses are not supported. It can be seen that H1 in this study was carried out to test the effect of internet self-efficacy on*perceived benefit*. The results of data processing obtained an estimated coefficient value of 0.317 with a P-value of the T statistic of 0.003 <0.05, so it is proven that internet self-efficacy has a significant effect on PB. On the results of the H2 test, a coefficient value of 0.072 was obtained with a P-value of the T statistic of 0.280 > 0.05, where the H2 result did not meet the requirements of P <0.05. So it can be concluded that Internet Self-Efficacy has not proven to have a significant effect on purchase intention. This is different from the results of previous research which stated that internet self-efficacy influences consumer purchase intention when shopping*online*. It is possible that internet self-efficacy is caused by differences in the demographics of respondents, where respondents in Indonesia do not pay attention *Internet self-efficacy* when they make purchases*online*.

Furthermore, testing related to perceived aesthetics of*perceived benefit* and perceived aesthetics on buying interest. The processed H3 data obtained a coefficient value of 0.509 where the P-value of the T statistic has a value of 0.000 <0.05. These results indicate that perceived aesthetics has a significant effect on perceived benefits. Followed by the results of processed H4 data, namely testing perceived aesthetics on buying interest, the coefficient value obtained is -0.037 with the P-value of the T statistic, namely 0.633> 0.05. The value of the results of this test indicates that perceived aesthetics does not prove to have a significant effect on purchase intention. This shows that the research respondents did not pay particular attention to the aesthetic side when they shopped.

Hypothesis 5 is conducted to see the effect of Hedonic motivations on purchase intention. The processed results of the hypothesis data, obtained an estimated coefficient value of 0.553 with a P-value of the T-statistic of 0.000 <0.05. The results of the H5 test show Hedonic motivations proven significant effect on purchase intention. This test is followed by H6 which examines the effect of perceived benefits on purchase intention. The processed data produces an estimated coefficient value of 0.311 and a P-value of the T statistic of 0.000 <0.05 or proven perceived benefit has a significant effect on purchase intention. The results of testing these two hypotheses are in line with previous studies.

Then a hypothesis test is carried out for variables that can be mediated by perceived benefits which have not been done before in previous research. H7 was carried out with the aim of testing the effect of internet self-efficacy on purchase intention mediated by perceived benefits and h8 testing perceived aesthetics on purchase intention mediated by perceived benefits. processed results obtained h7 and h8 testing coefficient values respectively with estimates of 0.099 and 0.158. where it can be concluded that increasing internet self-efficacy will increase buying interest mediated by perceived benefits and increasing perceived aesthetics will increase buying interest mediated by perceived benefits. The h7 test results obtained a p-value of the t statistic of 0.018 <0.05 so it was concluded that it was proven that internet self-efficacy had a significant effect on purchase intention mediated by perceived benefits. processed h8 data obtained a p-value of t statistic of 0.001 <0.05 so it is proven that pa has a significant effect on purchase intention mediated by perceived benefits.

CONCLUSION

Based on data and analysis that has been carried out by researchers, it can be concluded that there is a significant influence between internet self-efficacy and perceived aesthetics on perceived benefits. other results show that hedonic motivations and perceived benefits influence purchase intention. Internet self-efficacy and perceived aesthetics influence purchase intention through full mediation by perceived benefits. however, both are not proven to have a direct effect on purchase intention partially. These findings provide a broader view of understanding buying interest when shopping online in Indonesia. Therefore, actors, both producers and consumers, need to keep

abreast of existing technological developments so that the factors that influence buying interest can be identified properly.

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