

# **THESIS**

## **THE EFFECT OF CONSUMER BEHAVIOR ON ONLINE PURCHASE DECISION (Case study on Universitas Hasanuddin students)**

submitted by

**MUHAMMAD AINUN ZAKY  
A211 16 813**



To

**MANAGEMENT DEPARTMENT  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS HASANUDDIN  
MAKASSAR  
2020**

# THESIS

## THE EFFECT OF CONSUMER BEHAVIOR ON ONLINE PURCHASE DECISION (Case study on Universitas Hasanuddin students)

as one of the requirements to obtain  
Bachelor of Economics degree

submitted by

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**UNIVERSITAS HASANUDDIN**  
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# THESIS

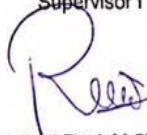
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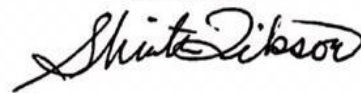
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is my own research and to the best of my knowledge there is no other scientific works that has been submitted by others to obtain an academic degree in other universities or academic institutions, and there are no works or opinions that have been written or published by others except those cited in the text and mentioned in the bibliography.

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Makassar, 15 July 2020



**Muhammad Ainun Zaky**

## PREFACE

Praises and gratitude the author sends to Allah SWT. Alhamdulillah, thanks to His grace and mercy, the author is finally able to complete this research with title "THE EFFECT OF CONSUMER BEHAVIOR ON ONLINE PURCHASE DECISION (Case study on Universitas Hasanuddin students)" as one of the requirement to complete the study and obtain academic degree in Faculty of Economics and Business Hasanuddin University.

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The author realizes that the process of writing and organizing this thesis is inseparable from mistakes and shortcomings. Therefore, with all humility, the author sincerely aplogizes and is gracefully willing to accept all input, critics, and suggestions to make this thesis better. The author humbly presents this thesis, with the hope that it could be useful to increase knowledge and information in the field of management.

Makassar, 7 August 2020

Muhammad Ainun Zaky

## ABSTRACT

### THE EFFECT OF CONSUMER BEHAVIOR ON ONLINE PURCHASE DECISION (Case study on Universitas Hasanudidn students)

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Shinta Dewi Sugiharti Tikson

The rapid growing of e-commerce industry accompanied by major increase in internet users and changing in consumer behaviour in Indonesia make online purchase trend become more widespread. This research aimed to identify the effect of consumer behaviour on online purchase decision. This study examine how cultural factor, social factor, and psychological factor affecting online purchasing decision. Survey research method is used by distributing structured questionnaire to a sample size of 108 respondents from Universitas Hasanuddin students. This research used Multiple Regression Model and data was processed through SPSS 23. The result of this study showed that cultural and social factor has no significant effect on online purchasing decision. In other hand, this research found that online purchasing decision is significantly affected by psychological factor.

**Keywords:** Consumer Behaviour, Online Purchase Decision, Cultural Factor, Social Factor, Psychological Factor.

*Pesatnya pertumbuhan industri e-commerce disertai dengan peningkatan besar dalam pengguna internet dan perubahan perilaku konsumen di Indonesia membuat tren pembelian online menjadi lebih luas. Penelitian ini bertujuan untuk mengidentifikasi pengaruh perilaku konsumen terhadap keputusan pembelian online. Penelitian ini menguji bagaimana faktor budaya, faktor sosial, dan faktor psikologis mempengaruhi keputusan pembelian online. Penelitian ini menggunakan kuisisioner tersstruktur yang disebarkan kepada 108 responden dari mahasiswa Universitas Hasanuddin. Penelitian ini menggunakan Model Regresi Berganda dan data diolah dengan aplikasi SPSS 23. Hasil penelitian ini menunjukkan bahwa faktor sosial dan factor budaya tidak berpengaruh signifikan terhadap keputusan pembelian online. Di sisi lain, penelitian ini menemukan bahwa keputusan pembelian online secara signifikan dipengaruhi oleh faktor psikologis.*

**Kata Kunci:** Perilaku Konsumen, Keputusan Pembelian Online, Faktor Budaya, Faktor Sosial, Faktor Psikologi.



## TABLE OF CONTENT

COVER PAGE .....	i
TITLE PAGE .....	ii
APPROVAL PAGE.....	iii
STATEMENT OF AUTHENTICITY.....	iv
PREFACE .....	v
ABSTRACT .....	vi
TABLE OF CONTENTS .....	viii
LIST OF FIGURES.....	x
LIST OF TABLES.....	xi
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
1.1. Research Background.....	1
1.2. Research Questions.....	3
1.3. Research Objectives .....	4
1.4. Research Significance.....	4
1.5. Research Structure.....	4
<b>CHAPTER II LITERATURE REVIEW .....</b>	<b>6</b>
2.1. Marketing .....	6
2.1.1. Marketing Management.....	6
2.1.2. Marketing Types .....	7
2.2. E-commerce.....	10
2.3. Consumer Behavior.....	11
2.4. Purchasing Decision.....	15
2.5. Previous Researches .....	17
2.6. Conceptual Framework .....	20
2.7. Hypothesis .....	20
<b>CHAPTER III RESEARCH METHODOLOGY .....</b>	<b>21</b>
3.1. Research Design.....	21
3.2. Place and Time of Research .....	21
3.3. Population and Samples.....	22
3.4. Data Types and Sources .....	23
3.4.1. Data Types .....	23
3.5.1. Data Sources.....	23
3.5. Data Collection Techniques.....	23
3.6. Research Variables and Operational Definitions.....	24
3.6.1. Research Variables .....	24
3.6.1.1. Dependent Variable.....	25
3.6.1.2. Independent Variables .....	25
3.6.2. Operational Definitions.....	25
3.7. Research Instruments .....	26
3.7.1. Validity Test .....	26
3.7.2. Reliability Test.....	27

3.8.	Data Analysis Technique .....	27
3.8.1.	Descriptive Statistics .....	27
3.8.2.	Classical Assumption Test .....	27
3.8.2.1	Normality Test .....	28
3.8.2.2.	Multicollinearity Test .....	28
3.8.2.3.	Heteroscedasticity Test .....	29
3.8.3.	Multiple Regression Analysis .....	29
3.9.	Hypothesis Test.....	30
3.9.1.	t-statistic Test .....	30
3.9.2.	F-statistic Test.....	31
3.9.3.	Coefficient Determination .....	31
<b>CHAPTER IV</b>	<b>RESULTS AND ANALYSIS</b> .....	<b>32</b>
4.1.	The Overview of Research Object .....	32
4.2.	Descriptive Analysis .....	32
4.3.	Descriptive of Variables .....	34
4.3.1.	Description of Cultural Factor (X1) Variable.....	34
4.3.2.	Description of Social Factor (X2) Variable .....	36
4.3.3.	Description of Psychological Factor (X3) Variable .....	38
4.3.4.	Description of Online Purchasing Decision (Y) Variable ....	40
4.4.	Instrumen Test Results.....	42
4.4.1.	Validity Test.....	42
4.4.2.	Reliability Test .....	45
4.5.	Classical Assumption Test.....	46
4.5.1.	Normality Test .....	46
4.5.2.	Multicollinearity Test.....	47
4.5.3.	Heteroscedasticity Test .....	48
4.6.	Hypothesis Testing and Multiple Linear Regression Analysis .....	49
4.6.1.	t-test.....	49
4.6.2.	F-test.....	50
4.6.3.	Coefficient Determination .....	51
4.7.	Discussion.....	52
4.7.1.	The Effect of Consumer Behaviour Factors on Consumer Online Purchasing Decision.....	52
4.7.2.	The More Dominant Influence of Psychological Factors Variable on Online Purchasing Decision.....	54
<b>CHAPTER V</b>	<b>CLOSING</b> .....	<b>56</b>
5.1.	Conclusion .....	56
5.2.	Suggestions .....	56
<b>BIBLIOGRAPHY</b>	.....	<b>58</b>
<b>APPENDIX</b>	.....	<b>62</b>

## LIST OF FIGURES

Figure	Page
1.1. The Growth of Internet Users in Indonesia in 2017 - 2023 .....	2
2.1. Conceptual Framework.....	20
4.1. Scatterplot Chart of Heteroscedasticity Test .....	48

## LIST OF TABLES

Table	Page
2.2. Previous Researches .....	17
3.1. Operational Definitions .....	25
4.1. Descriptive Statistics Table.....	32
4.2. Determination of Range Score .....	34
4.3. Description of Cultural Factor (X1).....	35
4.4. Description of Social Factor (X2) .....	36
4.5. Description of Psychological Factor (X3) .....	38
4.6. Description of Online Purchasing Decision (Y) .....	41
4.7. Validity Test Result of Online Purchasing Decision(Y) .....	43
4.8. Validity Test Results of Cultural Factor Variable (X1) .....	43
4.9. Validity Test Results of Social Factor Variable (X2).....	44
4.10. Validity Test Results of Psychological Factor (X3).....	44
4.11. Reliability Test Results .....	45
4.12. Kolmogorov-Smirnov Test Results .....	46
4.13. VIF Value .....	47
4.14. Glesjer Test Results .....	48
4.15. t-test Result .....	49
4.16. F-test Result.....	50
4.17. Coefficient Determination Result .....	50

# CHAPTER I

## INTRODUCTION

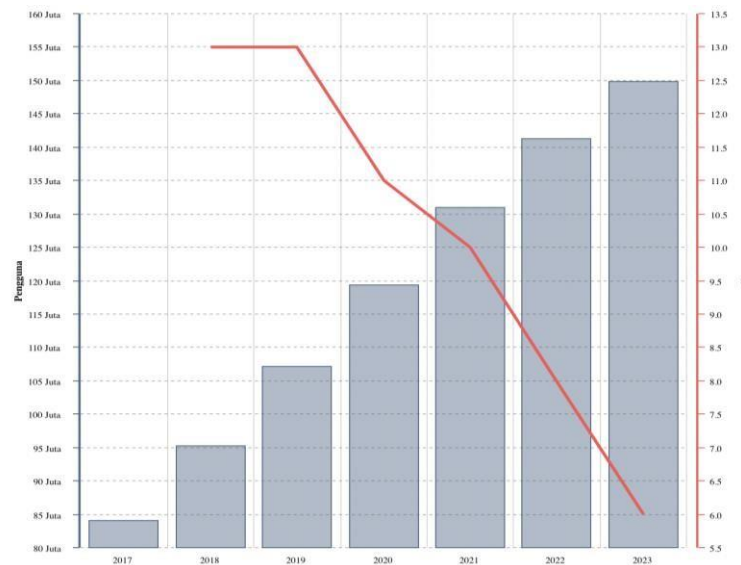
### 1.1 Research Background

Technological development and globalization drive major changes in how organizations market their products and services. Internet has been widely used as the newest and the most efficient way to reach, communicate, and sell products. The trading system through the internet is known as e-commerce. Ecommerce could also be interpreted as a business process using electronic technology that connects companies, consumers, and the public in the form of transactions of goods, services, and information electronically. This is a technological advancement that supports the overall spectrum of commercial activities.

The Ministry of Communication and information of Republic of Indonesia (2020) verified that Indonesia is included in the top ten countries with the largest growth of e-commerce with the total of 78% growth in 2019 and ranked first as the highest development of e-commerce in the world. E-commerce system is very dependent on internet sources and the total of internet users in Indonesia reaches more than 100 million users, which becomes one of the driving forces in e-commerce growth

Figure 1.1 shows that the internet usage in Indonesia in 2018 reaches 95.2 million, which is growing by 13.3%. In 2019, the internet users in Indonesia is grows by 12.6% compared to 2018, which is 107.2 million users in total.

**Figure 1.1: Projected Growth of Internet Users in Indonesia in 2017 - 2023**



Source: Reprinted from Databoks. Jayani, D. Copyright 2019 by Katadata. (<https://databoks.katadata.co.id/datapublish/2019/09/09/berapa-pengguna-internet-diindonesia#>).

The increased internet activity is driven by easy internet access, either via wi-fi or gadget devices, making it easy for consumers to access information about a product or service they are looking for. The utilization of the internet as a marketing media could certainly improve purchasing decisions made by consumers. The tighter competition in online business, the more choices reference for consumers in meeting their needs in goods and services.

A study conducted by an American multinational investment bank, Morgan Stanley, shows that e-commerce accounted for eight percent of total retail in Indonesia in 2018 and predicted to reach 18% by 2023 (Bisara, D., 2019). Morgan Stanley estimates the size of e-commerce market in Indonesia would reach 52 billion dollars in 2023, which increases dramatically in five years from 13 billion dollars market size in 2018. It is highlighted that the phenomena is mainly caused by the changing in

consumer behaviour, where convenience becomes the main consideration in online purchasing.

According to Peter and Olson (2010), the American Marketing Association defines consumer behavior as the dynamic interaction between influence and awareness, behavior, and the environment in which humans exchange aspects of life. According to Kotler and Keller (2012), cultural, social, personal, and psychological are the factors that influence consumer behaviour. Most of these factors could not be controlled by marketers, but must really be taken into account (Setiadi, 2003). These factors also influence consumer behavior in making purchasing decisions.

This study utilizes cultural factors, social factors, and psychological factors to determine their effects on online purchasing decision. Researcher utilizes these factors because most of these factors cannot be controlled by marketers. Many researches have conducted research regarding the influence of consumer behaviour on purchasing decision. The main contrast between this study and the previous studies lies on the object, sample, and period applied. Based on the background stated above, researcher is interested in conducting a study entitled. **“The Effect of Consumer Behavior on Online Purchase Decision (Case Study on Hasanuddin University Students)”**

## **1.2 Research Questions**

1. Do consumer behavior factors such as cultural, social and psychological have partial and simultaneous effect on consumer online purchase decision?
2. Which consumer behavior factors such as cultural, social, and psychological have a dominant effect on consumers' online purchase decision?

### **1.3 Research Objectives**

1. To analyze the effect of consumer behaviour factors such as cultural, social, and psychological factors on consumer online purchasing decision.
2. To find out the most dominant factor between cultural, social, and psychological factors that has the most dominant effect on consumers' online purchasing decision.

### **1.4 Research Significances**

#### **1. Theoretical Significance**

The result of this study is expected to increase understanding of the effect of trust, ease of use, and information quality on online purchase decisions. In the field of marketing, the results of this research are expected to contribute to the theory of the dimensions of online service quality. In addition, it is also expected to contribute to the literature for further research on online purchasing decisions.

#### **2. Practical Significance**

The results of this study are expected to make practical and beneficial contributions to online business ventures so they would be able to formulate their marketing strategies to maintain competitive advantage and continue to develop new innovations in the future.

### **1.5 Research Structure**

The structure of this research is divided into five chapters. The preliminary section encompasses the title of the research, approval sheet, validation page, statement of authenticity, preface, abstract, table of contents, list of images and graphics, list of tables, and list of attachments.

Chapter I: Preliminary, contains the background, research questions, the objectives, research significance, and research structure.



Chapter II: Literature Review, contains the theoretical bases, previous researches, and hypotheses.

Chapter III: Research methodology, describes the research variables and operational definitions of variables, populations and samples, types and sources of data, data collection methods, and data analysis.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Marketing**

Marketing is one of the main activities carried out by the company in order to achieve the goal of maintaining survival to thrive and making a profit. According to Kotler and Keller (2016) marketing is about meeting the company's needs in a profitable way. It is added that The American Marketing Association argues that marketing is an organizational function and a series of processes to create, communicate, and provide value to customers and to manage customer relationships in ways that benefit the organization and its stakeholders (Kotler and Keller, 2016).

Kotler and Armstrong (2012) state that marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. From the definitions above, it could be concluded that marketing is where the companies, that produce both goods or service, maximize their efforts in order to obtain profit and meet the needs and desires of the consumers.

##### **2.1.1 Marketing Management**

Marketing management is a process of analysing, planning, organizing, and managing manage programs that include conceptualization, pricing, promotion and distribution of products, services, and ideas designed to create and maintain profitable exchanges with target markets to achieve marketing objectives (Suparyanto and Rosad, 2015).

According to Kotler and Keller (2016) marketing management is the art and science of selecting target markets and reaching,

maintaining and growing customers by creating, delivering and communicating superior customer value. The definition explains that marketing management has the function to determine and increase demand in the market through a process that involves the analysis, planning and implementation and supervision of programs aimed at serving the market in accordance with market needs and desires.

### **2.1.2 Marketing Types**

A seller must know various types of marketing before entering the business world. Effective marketing is one of the important things to make a business run effectively and efficiently. Kotler and Armstrong (2012) point out two types of marketing approach, which are direct marketing and online marketing.

1. Direct marketing means connecting directly with carefully targeted segments of individual consumers, often on a one-to-one, interactive basis. For most companies, direct marketing is a supplemental channel, but for others it is a complete way of doing business. Direct marketing is expanding, it is key to the trend towards building close and interactive customer relationships. Direct marketing has certain benefits for buyers: it is convenient, private, easy and gives a lot of comparative information. It also has benefits for sellers: it is an important tool for building customer relationships and is a low-cost and efficient way of reaching target markets. Direct marketing begins with a good customer database. A customer database is an organised collection of comprehensive data about individual customers or prospects, including geographic, demographic, psychographic and behavioural data. Companies can

use this database to locate potential customers, learn about their customers and build relationships with them. There are several major forms of direct marketing:

a. Direct-mail marketing

Sending an offer, announcement, reminder or other item to a person at a particular physical or virtual address. It could be used well for direct one-to-one communication, but can be resented as “junk mail”

b. Catalogue marketing:

It is a direct marketing through print, video or digital catalogues that are mailed to select customers, made available in stores, or presented online. It eliminates mailing costs and allow for real-time merchandising.

c. Telephone marketing

It is using the telephone to sell directly to customers. However, the recent rules stated not to call for marketing have been hurting the telemarketing industry.

d. Direct-response television (DRTV) marketing

It is direct marketing via television, including direct-response television advertising (or infomercials) and home shopping channels. Home-shopping channels are television programmes or channels dedicated to selling goods and services.

e. Kiosk marketing is marketing via information and ordering machines

f. New digital direct-marketing technologies such as mobile phone marketing, podcast/vodcast and interactive TV are upcoming tools

2. Online marketing are efforts to market products and service and build customer relationships over the internet. The Internet is a vast public web of computer networks that connects users of all types around the world to each other and an amazingly large information repository. Click-only companies are the so-called dot-coms, which operate only online and have no brick-and-mortar market presence. Click-and-mortar companies are traditional brick-and-mortar companies that have added online marketing to their operations. There are four major online marketing domains.

- a. Business-to-consumer (B-to-C) online marketing, means selling goods and services online to final consumers.
- b. Business-to-business (B-to-B) online marketing, means businesses using online marketing to reach new business customers serve current customers more effectively and obtain buying efficiencies and better prices.
- c. Consumer-to-consumer (C-to-C) online marketing, means online exchanges of goods and information between final consumers. Blogs are online journal where people post their thoughts, usually on a narrowly defined topic. Companies could also advertise on blogs and influence content there.
- d. Consumer-to-business (C-to-B) online marketing, means online exchanges in which consumers search out sellers, learn about their offers and initiate purchases, sometimes even driving transaction terms.

Either way, most companies of all types are now engaged in online marketing. Corporate (brands) websites are designed to build customer goodwill, collect customer feedback, and supplement other sales channels rather than sell the company's products directly. A marketing

website engages consumers in interactions that would move them closer to a direct purchase or other marketing outcome (Kotler and Armstrong, 2012).

## **2.2 E-commerce**

Online shopping or so-called e-commerce is a process of transaction of goods or services through an information system that utilizes information technology. According to O'Brien and Marakas (2010) e-commerce is the buying, selling, marketing, and servicing of products, services, and information through various computer networks. Turban et al (2004), Katawetawaraks and Wang (2011) explained that Online shopping (ECommerce) is a product purchase activity (whether goods or services) through Internet media. Online shopping activities include buying a *business to Business (B2B)* as well as *business to consumer (B2C)*.

Meanwhile, Sutabri (2012) describe e-commerce is the spread, purchase, sale, and marketing of goods and services through electronic systems such as the internet or television, websites, or other computer networks. E-commerce changes the shape of competition, the speed of action, and streamlining interactions, products, and payments system from customers to companies and from companies to suppliers. E-commerce activities include transaction between Business to Business (B2B) and Business to Consumer (B2C).

## **2.3 Consumer Behavior**

According to Kotler and Keller (2016) consumer behavior is a study of how individuals, groups, and organizations conduct the process of fulfilling the needs of goods, services, ideas, or experiences to give satisfaction to the needs and desires of individuals, groups, and organizations in a society.

Consumer behavior is a study of individuals and communities in the process of fulfilling their various necessities of life both in the form of goods and services in order to provide satisfaction to the individuals and groups of people (Hawkins and Mothersbaugh, 2007).

*The American Marketing Association* in Peter and Olson (2010) consumer behavior is defined as a dynamic interaction between affection, cognition, behavior, and its environment in which humans perform exchange activities in their lives.

According to Kotler and Keller (2016), the factors that influence consumer behavior are as follows:

### **1. Cultural Factor**

Cultural factors have a broad and deep influence on buying behavior. Culture is the most basic determining factor of one's desires and behavior. When other creatures act based on instincts, human behavior is generally studied. A growing child gets a set of perceptual values, preferences and behaviors through a process of socialization that involves the family and other important social institutions. Cultural factors include culture, subculture, and social class.

#### **1. Culture**

Culture is the most basic determinant of desire and behavior. Culture starts from habit and is a way of life that is developed and shared by a group of people and passed down from generation to generation. Culture is formed from many complex elements, including religious and political systems, customs, language, tools, clothing, buildings, and works of art. The culture that develops in one place is very different from other places. Therefore, everyone who moves to a new area needs to learn the culture of the local area.

## 2. Sub-cultures

Each culture consists of smaller sub-cultures which provide more special characteristics and socialization for their members. Subcultures consist of nationalities, religions, racial groups, and geographical regions. When subcultures become large and prosperous enough, companies often design marketing programs specifically to serve them.

## 3. Social class

Basically, all societies have social strata. The stratification sometimes takes the form of a caste system in which members of different castes are raised in certain roles and cannot change their caste membership. Kotler and Keller (2016) also mentioned social class is a relatively homogeneous and permanent division of society that arranged hierarchically and consist of members who share similar values, interests and behaviors.

## **2. Social Factors**

The behavior of a consumer is influenced by social factors such as the reference group, family, and role and status.

### 1. Reference Group

A person's reference group consists of all groups that have a direct or indirect influence on a person's attitude or behavior. Groups that have a direct influence on a person are called membership groups, whereas groups that have an indirect influence on a person are called aspirational groups.

### 2. Family

The family is the most important consumer purchasing organization in society and family members are the most influential primary reference groups. Even if the buyer no longer



interacts deeply with a family, the family's influence on the buyer's behavior can remain significant.

### 3. Role and Status

People have participated in many groups throughout life. The position of the person in each group could be determined based on their role and status. The role includes activities that are expected to be carried out by someone. Each role produces a status. People choose products that can communicate their role and status in society. Therefore, marketers must be aware of the potential status symbols of products and brands.

### 3. Personal Factors

Consumer decisions are influenced by personal characteristics. These characteristics include age and life cycle stages, occupations, economic conditions, lifestyle, as well as the buyer's personality and self-concept.

#### 1. Age and Life Cycle Stage

People buy different goods and services throughout his life. They eat baby food in early life, eat a variety of foods during growth to maturity, and special diets at certain times. Taste for clothing, entertainment and other items is also age related.

#### 2. Occupation and Economic Situation

Economic situation consists of income that could be spent in terms of its level, stability, and pattern), savings and property, and the ability to borrow and attitudes toward issuing saving.

#### 3. Lifestyle

A person's lifestyle is a lifestyle that is expressed by one's activities, interests, and income. Lifestyle describes someone as a whole and reflects something behind one's social class.

#### 4. Personality and Self-Concept

Personality is a different psychological characteristic and everyone views the response to a relatively consistent environment. Personality has a strong correlation between personality types and various product or brand choices.

#### 4. Psychological Factors

Purchasing decisions are influenced by four main psychological factors, namely motivation, perception, learning, and beliefs and attitudes.

##### 1. Motivation

Motivation is an activator or impulse in a person to do and achieve a goal. A person has many needs at a certain time.

##### 2. Perception

Perception is the process used by an individual to select, organize, and interpret information input to create a meaningful picture of the world. Perception does not only depend on physical stimulation, but also depends on the environment and the circumstances. Perceptions could be very greatly from one individual to another despite experiencing the same reality.

##### 3. Learning

When people act, they increase their knowledge. Learning involves changing one's behavior that arises from experience. Most of human behavior is the result of learning. Learning theorists believe that learning is produced through a combination of encouragement, stimulation, direction for action, response, and reinforcement. Learning theory teaches marketers that they could build demand for a product by linking it to strong drives,

using instructions that provide motivation and providing positive reinforcement.

#### 4. Beliefs and Attitude

Belief is a picture of thoughts held by someone about something. People's beliefs about a product or brand influence their purchasing decisions. Marketers are very interested in the beliefs that exist in people's minds about their products and brands. Brand confidence exists in the consumer's memory. Attitudes are evaluations, feelings of emotions, and propensity for beneficial or unfavourable actions that occur to a person towards a particular object or idea. People have certain attitudes about almost anything; religion, politics, clothing, music, food, etc. Attitude puts all of that into a framework of likes or dislikes of an object. Attitude causes people to behave quite consistently with similar objects.

### **2.4 Purchasing Decision**

Consumers are directly involved in making purchasing decisions for products offered by sellers. The purchasing decision making process is carried out through various complex processes of many alternative choices that are influenced by several factors. Purchasing decisions are the process of combining knowledge to evaluate two or more alternative behaviors and choose one among them (Peter and Olson, 2010).

According to Schiffman dan Kanuk (2010), A decision is the choice of two or more alternatives. Conversely, if consumers have no alternative, then it is not categorized as decision making. Therefore, in the purchase decision making process, there must be several alternative choices. Purchasing

decisions are the result of a complicated and interrelated relationship between cultural, social, personal and psychological factors.

According to Kotler and Armstrong (2016), the purchase decision making process consists of five stages, namely:

1. Problem identification.

The buying process starts when the buyer realizes a problem or need that is triggered by internal or external stimuli.

2. Information search.

The main source of information where consumers are divided into four groups:

- a. Personal, family, friends, neighbours, colleagues.
- b. Commercial, advertising, website, sales force, distributor, packaging, display.
- c. Public, mass media, consumer rating organizations.
- d. Experimental, handling, product testing.

3. Alternative Evaluation.

There are some basic concepts that will help in understanding the evaluation process. First, consumers try to satisfy a need. Second, consumers look for certain benefits from product solutions. Third, consumers see each product as a group of attributes with various abilities to deliver the benefits needed to satisfy these needs.

4. Purchasing Decision.

In the evaluation phase, consumers form preferences between brands in a collection of choices. Consumers might also form an intention to buy the most preferred brand. In carrying out the purchase intent, consumers can form five sub-decisions: brand, supplier, quantity, time, and payment method.

## 5. Post purchase decision

After making a purchase, consumers may experience conflicts due to seeing certain alarming features or hearing fun things about other brands and being alert to information that supports their decision.

## 2.5 Previous Researches

**Table 2.1: Previous Researches**

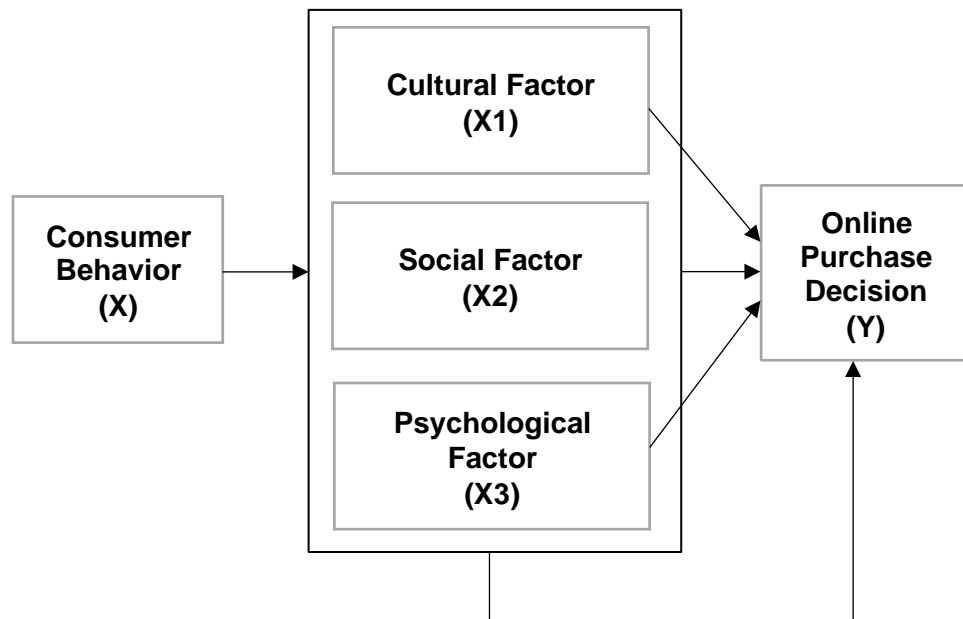
No.	Researchers	Research Titles	Research Results
1	Yunita (2012)	<i>Analisis Pengaruh Faktor Sosial, Pribadi dan Psikologis terhadap Keputusan Pembelian Konsumen pada PT. Caladi Lima Sembilan</i>	Social, personal and psychological factors only have a very small influence on purchasing decisions.
2	Hidayati, N (2011)	<i>Pengaruh Faktor Kebudayaan dan Faktor Sosial terhadap Keputusan Pembelian Konsumen di Ritel Modern (studi pada pengunjung Alfamart di Kelurahan Ngaglik Kota Batu)</i>	1. Cultural factors do not affect purchasing decisions. However, social factors influence consumer purchasing decisions in modern retail. 2. Simultaneously, cultural and social factors affect purchasing decisions in modern retail.
3	Fredereca, B. and Chairy (2010)	<i>Pengaruh Psikologi Konsumen terhadap Keputusan Pembelian kembali Smartphone Blackberry</i>	Consumer psychology affect the repurchase of Blackberry smartphones.

4	Syaf, D (2008)	<i>Pengaruh Faktor Psikologi dan Faktor Sosial terhadap Keputusan Pembelian Komputer di Lingkungan Mahasiswa (studi kasus pada mahasiswa Fakultas Ekonomi Universitas Brawijaya Malang)</i>	<p>1. Partially, there is a significant effect between psychological factors and social factors on computer purchasing decisions on students of the Faculty of Economics, Universitas Brawijaya Malang.</p> <p>2. Simultaneously, there is a significant effect between psychological factors and social factors on computer purchasing decisions on students of the Faculty of Economics, Universitas Brawijaya Malang.</p>
5	Kartikasari, D., Arifin, Z., and Hidayat, K (2013)	<i>Pengaruh Perilaku Konsumen Terhadap Keputusan Pembelian (Penelitian pada Mahasiswa Administrasi Bisnis Angkatan 2012/2013 Fakultas Ilmu Administrasi Universitas Brawijaya yang Mengkonsumsi Produk Mie Instan merek Indomie)</i>	Consumer behaviour consist of cultural factor, personal factor, and psychological factor variables simultaneously and partially have an influence towards purchasing decision.

6	Sanger and Pangemanan (2015)	Analyzing The Influence Among Cultural Factor, Social, And Psychological With The Customer Buying Decision Of Oriflame Product In Manado	<ol style="list-style-type: none"> <li>1. The three factors have a simultaneous influence on consumer buying decision.</li> <li>2. Among the three factors, only social factor that has a significant partial influence on consumer buying decision.</li> </ol>
7	Yolanda et al, (2017)	Affect Of Cultural Factor On Consumer Behaviour In Online Shop	Cultural factor is the most influential factor in choosing online shop, while psychological factor is the most influential factor in choosing direct shopping.

## 2.6 Conceptual Framework

Based on the background, the research questions, the objectives, and the theoretical bases stated above, the proposed research framework is as follows:

**Figure 2.1: Conceptual Framework**

## 2.7 Hypotheses

H1: Cultural factor, social factor, and psychological factor have significant partial and simultaneous effect on consumer online purchase decision.

H2: Cultural factor has dominant effect on consumer online purchase decision.