Influence of personality on impulsive buying behaviour among Indonesian young consumers

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Abstract: Personality is inner psychological characteristics that reflect how a consumer reacts to the environment especially in buying behaviour. The objective of this research is to examine the influence of five personality traits, called the big five personality traits that consist of extraversion, agreeableness, conscientiousness, emotional stability, and openness to experiences on impulsive buying behaviour. Using the purposive sampling method, respondents were collected from 150 Indonesian young consumers with the help of self-administered questionnaire survey approach. Data analysis was done using multiple regression analysis. Importantly, five hypotheses were examined and two were found to be supported. The result showed that extraversion and agreeableness personalities partially influenced impulsive buying behaviour. Also, results indicated that conscientiousness, emotional stability, and openness to experiences did not influence impulsive buying behaviour. This research is one of the initial attempts in Indonesian context to understand the importance of personality value among young consumers directing to impulsive buying behaviour.

Keywords: extraversion; agreeableness; conscientiousness; emotional stability; openness to experience; impulsive buying behaviour.


Biographical notes: Dimas Hendrawan holds a Bachelor of Economics in Management in 2004 and Master of Management in 2007 from Universitas Brawijaya. Since 2008, he became a Lecturer in Management Department, Faculty of Economics and Business, Universitas Brawijaya in Marketing Management as major field. He had worked as Special Staff of Vice Dean for Student Affair at Faculty Economics, Universitas Brawijaya in 2008 until 2013 and has worked as an Assistant to Head of Management Department, Faculty of Economics and Business, Universitas Brawijaya since 2013. He also has been part of the Indonesian Economists Association – Ikatan Sarjana Ekonomi Indonesia (ISEI), the Indonesian Management Scientists Association – Asosiasi Ilmuwan Manajemen Indonesia (AIMI), Indonesian Management Forum – Forum Manajemen Indonesia (FMI).

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1 Research background

Impulsive buying behaviour is explained as unplanned purchasing behaviour described by relatively quick decision-making and the desire to be able to have. Unplanned purchasing as is described, is not accidental, and it is difficult to avoid than the planned purchase behaviour. Impulsive buyers usually do not think in his mind, are emotionally appealed to an object, and have a desire for immediate gratification (Amos et al., 2014). Impulsive buying behaviour can be likened to an unplanned purchase, but not all unplanned purchases are included impulsive purchases because there is a possibility that the consumer requires the goods, but forgot to put it in the shopping list. There are many factors that influence a person to make impulse purchases. Badgaiyan and Verma (2014), stated that the cause of impulsive buying behaviour is derived from the intrinsic factor or a motivating factor that exists within individual. This factor, of many studies of impulsive buying behaviour, are the factors that most influence on impulsive buying behaviour. One of the factors that is intrinsic personality. Sohail and Thonayen (2012) also found that personal factors were important in influencing consumer attitudes that led to purchase intention. According to Schiffman and Kanuk (2007) personality is the core psychological characteristics that determine and reflect a person’s response to its environment. The psychological characteristics of a person will show the consumption behaviour. According to Goldberg (1990), there are five dimensions of personality known as The Big Five namely extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience. This means that these dimensions will also influence a person’s consumption behaviour. Malang as the second largest city in East Java has changed in many ways. Changes that occur ranging from improved infrastructure, service facilities, the variety of products, and even access to achieve the products. Various fields of business are also growing rapidly in Malang, including retail industry. Retail industry is one of the most developed industries in Indonesia and the
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Participants are also developed from inside and outside country (Amelia and Ronald, 2017). Malang, as known as a city of education, will not be separated from this changes, especially for the number of students. Students, who are also customers, do not only come from Malang, but also from various cities in Indonesia. Students as young consumers are certainly a market share worth considered for retail business in Malang. Students regard themselves as person as the one able to foresee and calculate risk, willing to look for new solution as well as flexible in adapting to changing circumstances (Jaroslaw, 2008). Many retailers offer attractive products to meet the various needs of young consumers. In fact, sometimes young consumers often make unplanned purchases or buying products outside their needs.

2 Literature study

According to Schiffman and Kanuk (2007) personality is the core psychological characteristics that determine and reflect a person’s response to its environment. According to Goldberg (1990) has five dimensions of personality that is more commonly known as The Big Five. Srivasta (1999) says that The Big Five is a taxonomy of personality trait or a coordinate system that maps a collection of one’s nature. The Big Five is an empirical science based phenomenon not a theory of personality. According to Goldberg (1990), this concept has five dimensions consisting of extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience. Extraversion explain the energy, positive emotions, firmness, social skills, speech, and the tendency to look for stimulation with others. Agreeableness is a tendency of a person to feel compassion/sympathy and collaboration with others. Conscientiousness is a predisposition to show self-discipline, obedience, and aims to achieve. Emotional Stability is susceptibility to unpleasant emotions such as anger, anxiety, or depression. Openness to experiences illustrates the degree of intellectual curiosity, creativity, and a preference for novelty and variety (Boundless, 2016). Impulse buying is defined as an unplanned purchase that was not anticipated or planned before the shopper enter the store (Lee and Kacen, 2008). Unplanned purchase is a common thing among all consumer’s segment, but with the rapid changing in consumer’s environment today, it needs to be reexamined. Young consumers can also show a similar behaviour, when they make impulse buying behaviour. Most of the consumer’s decision to buy is in the hands of retailers. With the substitution in a partially unplanned and impulsive buying, some decisions occur when young consumers interact with retailers. In this case, the buyer may be influenced by the extent, limited, and routine decision making. Previous studies have shown that consumer personality has an effect toward impulsive buying behaviour and it may apply in current condition. The discussion leads to following hypotheses:

$H_1$: Extraversion among Indonesian young consumers influences impulsive buying behaviour.

$H_2$: Agreeableness among Indonesian young consumers influences impulsive buying behaviour.
3 Research methodology

3.1 Questionnaire development for data collection

The data was collected using a structured questionnaire. The questions were arranged by adopting items from literature with some adjustments. All of the items in a structured questionnaire were measured on a five-point rating scale, where 1 indicates strongly disagree and 5 indicates strongly agree.

3.2 Data and sample

To test the hypotheses, the structured questionnaire was used to collect answers from young consumers in Malang, East Java, Indonesia from September until November 2016. Malang as a second biggest city in East Java, has high population level of young people and also has many formal and informal education institutions. The study had chosen young consumers that are identified as a special market segment that forms a powerful consumer spending group. Using purposive sampling method (the respondents involved of a young adult between 18 until 30 years old), a total of 150 questionnaires were distributed among young consumers from different shopping malls in Malang. The demographic characteristics of 150 valid responses are as follows: there were 69 males (46%) and the rest were 81 females (54%). The respondent’s education characteristics showed that bachelor degree 33 (22%), postgraduate 12 (8%), and intermediate 105 (70%). The household monthly income of respondents in Indonesian rupiah (IDR) as follows: 102 (68%) of respondents mentioned their monthly income between 1,000,000 – 3,000,000 followed by 34 (22.67%) stated their monthly income of below 1,000,000, and the rest 14 (9.33%) stated their monthly income of above 3,000,000. A majority respondents were students, undergraduate and postgraduate students, 117 (78%), professionals 25 (16.67%), and entrepreneurs 8 (5.33%).

4 Result

4.1 Statistical analysis

The theoretical framework was analysed using SPSS version 21. The analysis followed two-step approaches, measurement model, and multiple regression analysis.
4.2 Measurement model: validity and reliability

The measurement model conducts the quantitative measures of the validity and reliability of the constructs. Validity refers to the degree to which a survey instrument actually measures what it purports to measure (Fink, 2003). In this study, the Pearson’s correlation coefficient (r-test) of each construct as larger than r-table. It can be concluded that the theoretical model represents a validity (Ghozali, 2007). The Cronbach’s alpha analysis is a model of internal consistency and is based on the average inter-item correlations. According to Ghozali (2007), the value of Cronbach’s alpha of more than 0.6 is considered to be reliable. In this study, the values of Cronbach’s alpha coefficient ranged from 0.661 to 0.803 indicates the internal consistency reliability of the construct. The details of validity and reliability test result is shown in Table 1.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>r-test</th>
<th>r-table</th>
<th>Sig.</th>
<th>Cronbach α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraversion</td>
<td>X1</td>
<td>0.713</td>
<td>0.166</td>
<td>0.000</td>
<td>0.668</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.560</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Agreeableness</td>
<td>X1</td>
<td>0.840</td>
<td>0.166</td>
<td>0.000</td>
<td>0.788</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.640</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>X1</td>
<td>0.777</td>
<td>0.166</td>
<td>0.000</td>
<td>0.803</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.748</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Emotional stability</td>
<td>X1</td>
<td>0.714</td>
<td>0.166</td>
<td>0.000</td>
<td>0.699</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.609</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Openness to experience</td>
<td>X1</td>
<td>0.511</td>
<td>0.166</td>
<td>0.000</td>
<td>0.661</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.742</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Impulsive buying behaviour</td>
<td>Y1</td>
<td>0.417</td>
<td>0.166</td>
<td>0.000</td>
<td>0.739</td>
</tr>
<tr>
<td></td>
<td>Y2</td>
<td>0.668</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y3</td>
<td>0.761</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y4</td>
<td>0.708</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y5</td>
<td>0.503</td>
<td>0.166</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Classical assumption test

Normal distribution test was used to determine whether the data is normally distributed or not. The normal distribution made a straight diagonal line and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line closely follows the diagonal (Hair et al., 1998). Multicollinearity test was used to see whether there was a correlation among independent variables. A prevalent cutoff threshold is a tolerance value of 0.10, which corresponds to a variance inflation factor (VIF) value below 10 (Ghozali, 2007). The presence of unequal variances (heteroscedasticity) is the other assumption violations. The diagnosis is made with statistical tests. By the Glejser test, heteroscedasticity was present when the significance level >0.05 (Ghozali, 2007). Based on Figure 1, data that used in this study are normally distributed, also there is no multicollinearity and heteroscedasticity.
4.4 Goodness of fit and hypotheses testing

Further, the theoretical framework was examined for the goodness of fit indices. The result indicated that goodness of fit statistics of the theoretical framework reflects a good fit. In this study, we found that $F$-test > $F$-table or significance level < 0.05 (Ghozali, 2007). The result of multiple regression can be seen in Table 2.

According to this study, extraversion ($t = 2.225, p < 0.05$) and agreeableness ($t = 5.556, p < 0.05$) were significant determining impulsive buying behaviour, whereas conscientiousness ($t = -1.758, p > 0.05$), emotional stability ($t = -0.767, p > 0.05$), and openness to experiences ($t = -1.079, p > 0.05$) were failed to show significant influence on impulsive buying behaviour ($p < 0.05$).

Table 2 Result of multiple regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>Sig.</th>
<th>$t$-table</th>
<th>$R$-square</th>
<th>Adj. $R$-square</th>
<th>F-value</th>
<th>$F$-table</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>13.034</td>
<td>2.509</td>
<td>5.194</td>
<td>0.000</td>
<td>1.977</td>
<td>0.245</td>
<td>0.219</td>
<td>9.333</td>
<td>2.28</td>
</tr>
<tr>
<td>$X_1$</td>
<td>0.500</td>
<td>0.225</td>
<td>0.167</td>
<td>0.028</td>
<td>2.225</td>
<td>0.495</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$X_2$</td>
<td>0.879</td>
<td>0.161</td>
<td>0.416</td>
<td>0.000</td>
<td>5.446</td>
<td>0.245</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$X_3$</td>
<td>-0.392</td>
<td>0.223</td>
<td>-0.131</td>
<td>0.081</td>
<td>-1.758</td>
<td>0.495</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$X_4$</td>
<td>-0.111</td>
<td>0.145</td>
<td>-0.058</td>
<td>0.444</td>
<td>-0.767</td>
<td>0.245</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$X_5$</td>
<td>-0.198</td>
<td>0.183</td>
<td>-0.081</td>
<td>0.282</td>
<td>-1.079</td>
<td>0.245</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5 Discussion

Consumers with extraversion personality have the will and the ability to socialise and have a tendency to look for a positive experience. Consumers want to meet, face, and discuss with the salesperson. This condition drives consumers to make purchases impulsively. The results of this study also support Badgaiyan and Verma (2014) findings that extraversion had a significant influence on impulsive buying behaviour but positively. So, retailers have to be able to investigate which young consumers have a high extraversion personality henceforth be used as the target market. In addition, retailers
should be able to train salespeople to be able to attract young consumers, have good product knowledge, and good communication. Retailers also should facilitate young consumers with the possibility to converse and review with a supervisor about the problems (Mongay, 2016). The finding of this research also indicates that agreeableness had a significant influence on impulsive buying behaviour. Young consumers who have a tendency to be influenced by the surrounding environment, can be easily attracted by marketing communication offered by retailers, such as salespeople, advertising, samples, brochures, especially the various forms of social activity retailers. To respond this result, retailers are expected to remain active in social activities and communicate to young consumers. The same applies to the salesperson which salespeople must have good communication skills. Based on the results of the research found that conscientiousness did not have a significant influence on buying behaviour impulsive. Consumers with conscientiousness have a tendency to plan in advance the purchase of the product, choose the appropriate product based on the evaluation, and make purchases organised. Retailers are advised to keep promoting their products regularly by many marketing communication techniques in all media. At the end, to put sustainable consumption, it is important that retailers should not only be embed in consumer’ consciousness but also be interpreted as everyday behaviour (Mróz, 2010). From these results, emotional stability did not have a significant effect on impulsive buying behaviour. This means young consumers in making impulsive purchases are not due to the stable presence/absence of emotion. Emotional stability is the susceptibility to unpleasant emotions such as anger, anxiety, or depression. The results of this study do not support the results Shahjehan et al. (2011) where the results of such research suggest that consumers with stable emotions are unlikely to make impulsive purchases and conversely, consumers with emotional instability will make impulse purchases. Responding to the results of this study, retailers should continue to offer products that have the features, quality, and consumer benefits in accordance with young consumers’ needs. Similarly, the stimulus given marketing should be informative, accurate, and persuasive. In this study demonstrated that openness to experiences did not have a significant effect on impulsive buying behaviour. Even young consumers have a tendency to easily accept new things, young consumers still primarily look for core benefit fulfilment. Retailers are advised to develop and maintain long-term relationships with customers and customers’ preference is required to develop successful strategies for firms’ business (Tehseen and Sajlan, 2016).

6 Conclusion and scope of future research

This study was taken with aims of gaining additional knowledge about Indonesian young consumers buying behaviour. Finding from this study could provide important information about impulsive buying behaviour among Indonesian young consumers that could be used by retailers and academicians. Indonesian young consumers had the distinctive personality of somehow buying product spontaneously. According to this research, Indonesian young consumers tend to create impulsive buying influenced only by extraversion and agreeableness. On the other side, conscientiousness, emotional stability, and openness to experiences did not influence Indonesian young consumers impulsive buying behaviour.

The study is only focused on young adults as a consumer of a specific region, Malang as the second biggest city in East Java, Indonesia. For thus, for generalisation, research
result needs to be validated for other cities in Indonesia. The study has measured the personality as the intrinsic factor that influences the impulsive behaviour. The future studies may test and compare other intrinsic and extrinsic factor that influence impulsive buying behaviour.

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