

THE COMPULSIVE BUYING ANALYSIS TOWARDS YOUNG ADULTS IN INDONESIA

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ABSTRACT

Compulsive buying behavior has negative impact to its compulsive buyer because its uncontrollable, repetitive, and chronic that caused by escapement from life problems or negative feelings. Insight about motivative factors of compulsive buying behavior are expected to prevent this behavior happens. In this research, authors analyze compulsive buying behavior related to gender and level of purchase ability. Survey method were used by spreading 796 questionnaires in Jakarta, Bandung, Surabaya, and Yogyakarta. From the result, there is no significant difference between men and women related to compulsive buying behavior, the other result indicates there is relationship between pocket money and monthly expenditure with compulsive buying. This study further contributes by providing comprehensive overview on compulsive buying in a developing country, particularly in Asian countries that were previously under researched.

Keywords: Compulsive buying, gender, level of purchase ability.

INTRODUCTION

Consumer shopping behavior nowadays has been a part of lifestyle, the trigger is because shopping activities are very easy to do through online shops, which are become increasing in number in Indonesia. By using online shops, people easily find and determine the products they want to buy. It is also the cause of shopping behavior to be one of the preferred activities, in addition to the fulfillment of the needs and desires of the compulsive buyer. Besides, shopping centers also increasing in number, which encourage people to do shopping. Especially now among the shopping centers competing with each other, to offer various types of interesting promotions to consumers. One of consumer shopping behavior is compulsive buying behavior. This behavior should be the main concern because it gives bad impact for the compulsive buyer. This happens because the compulsive buying behavior is a purchasing behavior that is done without planning, can not be controlled and repeatedly even become chronic, and known as one of the disorder in consumer shopping behavior. If this behavior is neglected, the compulsive buyer can face financial problems and even lead to bankruptcy. To prevent compulsive buying behavior which is become increasing, we have to find factors related to this behavior. Authors made some limitation to demographic factors, such as gender and level of purchase power (describe in pocket money and monthly expenditure). Relation between gender and compulsive buying behavior has been widely discussed in previous studies. But in some studies there are some differences in the results. Some studies shows that women are more likely to make compulsive purchases than men. The results of Park (2012), conducted on 163 respondents in the UK showed significantly that women are more likely to make compulsive purchases than men. Shoham and Brencic (2003) also showed that trends in compulsive buying behaviors are more done by women than men. Several other research results show different things. Research conducted by (Koran, et al 2006, Mueller et al., 2010 and Suwarno, et al., 2017) showed no significant differences between men and women in terms of compulsive buying behavior. This makes it interesting for researchers to test and re-analyze gender relations and compulsive purchases. In terms of the relationship between the level of purchasing power (pocket money and expenditure per month) and compulsive buying behavior is also interesting to investigate, because only a few research that discussed it. Most of discussions are only in terms of purchasing power levels and general spending behavior, not specific to compulsive buying behavior. Explanation by Mohanraj (2017), said that because of compulsive purchases done without planning and can not be controlled, then someone who has higher level of purchasing power has ease in making such compulsive purchases. This is supported by previous study conducted by the authors (Suwarno, et al 2017), which suggests a positive influence between pocket money and monthly expenditure on compulsive purchases. Therefore, to confirm the results of previous research, the authors are interested in conducting re-testing with larger samples. Based on the explanation above, the purpose of the study is to analyze the relationship between gender, level of purchase power and compulsive buying behavior.

LITERATURE REVIEW

Compulsive buying has been defined by several authors. Following definitions are derived from several authors.

Table 1: Definition of Compulsive Buying Behavior

Authors (year)	Definition
Faber dan O'Guinn (1989)	CB is a repetitive and chronic buying behaviour, as a result from negative feelings or conditions.
D'Astous (1990)	CB is a behaviour which the compulsive buyer has a high desire to do purchase.
Yi, Sunghwan (2012)	CB is a repetitive and chronic behaviour, while shopping is to be a 'cure' for consumers to release themselves from negative respons that happen to them

Jalees, Amen, dan Kazmi (2014)	CB is repetitive, chronic, and harmful. Compulsive buyer is being obsessed to richness and neglect bad impact for them. Finally, they become materialistic, tend to have a fantasy on looking for money, lose self-control while shopping.
Varveri, Novara, Petralia, Romano, dan Lavanco (2014)	CB is an excessive purchase behavior, based on unsecure feelings, aim to decrease pressure and give them a unreal secure feeling to themselves.

*CB = Compulsive Buying

From several definitions above, authors conclude that compulsive buying is a repetitive, chronic, uncontrolled, excessive which comes from negative feelings from the compulsive buyer, and have negative impact. Compulsive buyer related to several factors which is attached to them, one of them is purchasing power. Mohanraj (2017) said that it is an unplanned buying behavior, and it is related to level of purchasing power of the compulsive buyer, which is related to consumption rate. According to the definitions above, this behavior is uncontrolled, repetitive, and can be said that ones who has high level of purchasing power tend to do compulsive buying behavior because they have money to do purchase. Research from Suwarno, et al (2017) show that there is a positive influence from the amount of pocket money and monthly expenditure. It means, the higher pocket money and monthly expenditure, the higher tendency of doing compulsive buying. Realted to the gender, there is variation in research. At the beginning, the tendency of compulsive buying behavior was higher among women than men. This is because women are known to have identities as shoppers rather than men (Dittmar, Long and Meek, 2004). Women also have more attitudes or tendencies to browse, shop and consider buying behavior as a fun activity compared to men (Campbell, 2000). But in recent studies, different results have been shown, in which there is no significant difference between men and women in terms of compulsive buying behavior. Research conducted by (Koran, et al. 2006; Mueller et al., 2010 and Suwarno, et al., 2017) shows a similar tendency between men and women in terms of compulsive buying behavior. Although, women still have a higher level of compulsive buying behavior than men, the difference is not significant. Between men and women have a tendency to compulsive buying behavior, only the difference lies in the product they buy. Men are more likely to buy electronic and automotive goods while women are more likely to buy fashion and beauty items.

RESEARCH METHOD

Descriptive study was used in this research. The phenomenon that researchers want to analyze is compulsive buying behavior in Indonesia. The research method used in this study is a survey method, the researcher asks the respondent to fill in the prepared questionnaire. The sample of this research is young adults people in Indonesia. The construct of compulsive buying behavior refers to the constructs contained in the study of Sharma, et al. (2009) and Wong, et al. (2007), which one of the questions is: Spontaneous shopping is fun. In this study, the number of respondents is 796 respondents from four major cities in Indonesia: Jakarta, Surabaya, Bandung and Semarang. The number of respondents who came from Jakarta as many as 207 respondents, Surabaya 188 respondents, Bandung as many as 303 respondents and Yogyakarta 98 respondents. The number of men and femen respondents was relatively balanced, with men respondents totaling 355 respondents and femen respondents totaling 441 respondents. The age range of respondents ranged from 15 years to 28 years. The majority of respondents have pocket money per month ≤ Rp. 3,000,000 and monthly expenditure ≤ Rp. 2,000,000. A total of 480 respondents still live with parents, while 316 others do not live with parents. A total of 233 respondents chose fashion products as the most favorite product to buy, beauty = 89 respondents, electronic = 91 respondents, automotive = 72 respondents, health = 44 respondents, the combination of fashion, beauty, electronic, health and automotive products as much as 113 and other products were 154 respondents. For other products, respondents answered products such as food / culinary, sports, school / college equipment (Books, stationery), musical instruments, shoes, cooking equipment, audio and sports equipment. Men respondents respond more to fashion, electronic and automotive products as a choice of favorite products to buy. While femen respondents answered more fashion and beauty products as a choice of favorite products to buy.

Before hypotheses test, authors used to do normality, validity, and reliability test. The following are the results.

Table 2: Normality test

CB		
N	Valid	796
	Missing	0
Mean		2.5126
Median		2.5000
Std. Deviation		.68577
Variance		.470
Skewness		-.017
Std. Error of Skewness		.087
Kurtosis		-.260
Std. Error of Kurtosis		.173
Minimum		1.00
Maximum		4.00

Source: processed data (2018)

From the table above, the skewness value for the variable CB = -0.017. Because the skewness value of the CB variable (Compulsive Buying) approaches the value 0 it can be said that the data for each variable is normally distributed. This of course

resulted in these data can be processed further for regression testing. In addition to the mean value of CB = 2.5126, the standard deviation of CB = 0.68577. Since the mean value > standard deviation value, then the average value is a good representation of the overall CB data and this indicates good data. Then to test the validity and reliability are as follows.

Table 3: Validity Test

		Correlations				
		CB1	CB2	CB3	CB4	CB
CB1	Pearson Correlation	1	.396**	.329**	.384**	.684**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	796	796	796	796	796
CB2	Pearson Correlation	.396**	1	.415**	.476**	.756**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	796	796	796	796	796
CB3	Pearson Correlation	.329**	.415**	1	.579**	.770**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	796	796	796	796	796
CB4	Pearson Correlation	.384**	.476**	.579**	1	.816**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	796	796	796	796	796
CB	Pearson Correlation	.684**	.756**	.770**	.816**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	796	796	796	796	796

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Processed data (2018)

From the table above it can be seen that there is a correlation between each CB question item and total value of CB (sig value = 0.000 < 0.01), and the correlation value between CB1 and CB = 0.684, CB2 and CB = 0.756, CB3 = 0.770, and CB4 and CB = 0.816. Because the correlation value of each CB question item and the total value of CB > 0.5 (sig. < 0.000), then the construct for CB can be said to be valid (Ghozali, 2006).

Table 4: Reliability Test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.753	.751	4

Source: Processed data (2018)

From the above data, it can be seen that Cronbach's Alpha value for the CB variable is 0.751, and all Cronbach's Alpha values if item deleted are not more than 0.751. The final value of Cronbach's Alpha for the variable CB = 0.751. Because the value is > 0.6, it can be said that the CB variable meet the reliability test.

RESULTS AND DISCUSSION

In this study, researchers aim to analyze the compulsive buying behavior of young adults category respondents, by comparing compulsive relationship behavioral in four major cities in Indonesia: Jakarta, Surabaya, Bandung and Yogyakarta. In addition, researchers also aim to know the relationship between the demographic factors contained in the respondents such as gender, pocket money, and monthly expenditure with compulsive buying behavior.

Table 5: Compulsive Buying Analysis Based on Respondent Demographic Factor

City		CB	Pocket Money	Monthly Expenditure	Age
Bandung	Mean	2.4777	1.5743	2.0693	18.1188
	N	303	303	303	303
	Std. Deviation	.67485	.73259	.91988	2.36260
Jakarta	Mean	2.5942	1.8454	2.3913	18.6039
	N	207	207	207	207
	Std. Deviation	.66341	.82748	1.02707	2.27216
Surabaya	Mean	2.5293	2.0798	2.4894	19.7340
	N	188	188	188	188
	Std. Deviation	.70744	.78011	.86827	1.90230
Yogyakarta	Mean	2.4158	1.6939	2.2959	19.7653
	N	98	98	98	98
	Std. Deviation	.71341	.52579	.78922	1.49087
Total	Mean	2.5126	1.7789	2.2802	18.8291
	N	796	796	796	796
	Std. Deviation	.68577	.77304	.93736	2.25560

Source: Processed data (2018)

According to table above, the average respondent in each city is almost the same that is at the age of 18-19 years. It can be concluded that the age of respondents in four cities studied have the same age range. Researchers also obtained data that the level of compulsive behavior of respondents from Jakarta has the highest score = 2.5942, followed by Surabaya = 2.5293, Bandung = 2.4777 and the lowest is Yogyakarta = 2.4158. This is not surprising because Jakarta is the capital of Indonesia, which of course there are many choices and opportunities to indulge consumer behavior or shopping. It makes respondents from Jakarta more likely to have compulsive buying behavior compared to others. However, if compared with Surabaya the compulsive buying behavior score is slightly different only 0.07. While with two other cities of Bandung and Yogyakarta differ 0.1.

In terms of pocket money and monthly expenditure, between Jakarta and Surabaya have an average level that is almost the same as the average pocket money of respondents from Jakarta and Surabaya is at the numbers 1.8 and 2 (the range of pocket money per month is Rp. 1,000,000, - up to Rp. 3,000,000, -), with an average expenditure that is also almost the same at 2.4 and 2.5 (monthly expenditure range of Rp. 500,000, - up to Rp. 2,000,000, -). It means that respondents in Jakarta and Surabaya have an expenditure level of 50% to 70% of the amount of pocket money received per month. For per month allowance, respondents from Bandung and Yogyakarta have the same range, namely in numbers 1.5 and 1.6 (in the range below Rp. 1,000,000, - up to Rp. 1,500,000, -), with an average level of expenditure. per month in number 2 (Rp. 500,000, - up to Rp. 1,000,000, -). It means that respondents in Bandung and Jakarta have an expenditure level of 50% to 70% of the amount of pocket money. From the data regarding pocket money and monthly expenditure, it can be concluded that for the average pocket money and monthly expenditure, the respondents from Jakarta and Surabaya were almost the same, and Bandung and Yogyakarta were almost the same. Which for Jakarta and Surabaya is higher than Bandung and Yogyakarta. This analysis is supported by the regression test, the monthly pocket money rate significantly influences the compulsive purchases (sig. 000 < 0.05; t (6.129)) and so does the monthly expenditure rate that significantly affects the compulsive buying (sig. 000 < 0.05; t (6.658)). This, of course, supports the results of research conducted by previous researchers (Suwarno, et al 2017) on 444 young adult respondents in the cities of Jakarta and Bandung, showing the influence of pocket money (value sig. 000 < 0.05; t (6.134); = 2.6959, SD = 0.18748) and monthly expenditure (sig. 0.000 < 0.05; t (4.951); Mean = 2.6959, SD = 0.15343) for compulsive buying behavior.

Regarding to relation between gender and compulsive buying behavior, it can be seen at the table below.

Table 6: Compare Means Test (Compulsive Buying based on Gender)

Descriptives
CB

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Men	355	2.4718	.69648	.03697	2.3991	2.5445	1.00	4.00
Women	441	2.5454	.67604	.03219	2.4821	2.6086	1.00	4.00
Total	796	2.5126	.68577	.02431	2.4649	2.5603	1.00	4.00

Test of Homogeneity of Variances

CB

Levene Statistic	df1	df2	Sig.
.582	1	793	.446

ANOVA

CB

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.105	2	.553	1.175	.309
Within Groups	372.769	793	.470		
Total	373.874	795			

Source: processed data (2018)

From the table above, it can be seen sig value. the test results from the Test of Homogeneity of Variances are 0.446 (> 0.05), means that there is no similarity in the variance between men and women. This result means that the different test with one way ANOVA can be done to the next stage. Then from the results of the ANOVA table above, the sig value. for 0.309 (> 0.05). This means there is no significant difference in compulsive buying behavior between men and women, although the average value of compulsive women purchasing behavior remains higher than that of men. The average value of compulsive buying behavior of men respondents = 2.4718 and women = 2.5454. This is in accordance with the results of studies conducted by Koran, et al (2006) and Nicoli, et al (2016) which showed no significant differences between men and women in terms of compulsive buying behavior. Which in the study Koran et al (2006) found that men are more likely to shop into electronic products while women are more likely to shop into fashion products. In this study, researchers found that men are more likely to shop for fashion, electronics and automotive products while women are more likely to shop into fashion and beauty products. The current development of men also has a tendency to buy fashion products, not only women.

CONCLUSION AND SUGGESTION

Research on compulsive buying behavior provides benefits to the public or consumers. Insight of the factors related to the triggers of this behavior allows us to prevent making purchases like this. The results in this study show some things, namely the

level of purchasing power which in this case is measured by pocket money or monthly expenditure has a relationship with the compulsive buying, this finding is support the research conducted by Mohanraj (2017) and Suwarno, et al. (2017). The higher the level of purchasing power, the higher the tendency to do compulsive buying behavior. This implies that someone with an adequate level of purchasing power must be aware of the existence of compulsive buying behavior in him. Regarding to the gender, the results in this study indicate that there is no significant difference between men and women in terms of compulsive buying. This finding is support the research conducted by (Koran, et al. 2006; Mueller et al., 2010 and Suwarno, et al., 2017). The implication of this study is both women and men have the same tendency to make compulsive purchases. It gives a warning to men to be alert not to get caught up in compulsive buying behavior, it's just different in the products purchased if women are more likely to buy fashion and beauty products, while men are more likely to buy electronic and automotive products. But men also currently have a tendency to buy fashion products, because according to current developments, men also pay attention to appearance. Research on compulsive buying has a good impact on increasing the well being of the community. The results of this study are expected to provide input for public policy makers on how to overcome the problem of compulsive buying behavior and its impact. Societal attitudes and norms could be modified over time to create a morefriendly environment and overcome the dysfunctional orientation of compulsive buying. For people who are classified as young adults, the results of this study provide knowledge about factors that can encourage compulsive buying behavior. There fore it is expected to pay attention to compulsive purchase triggers, especially the level of purchasing power. Because with a high level of purchasing power, the availability of money will be high, and this is what can cause a person to make an unplanned purchase, one of which is compulsive purchase. This study has limitations in terms of respondent's coverage, both in terms of age and in terms of location of the location of data collection, besides that, demographic factors are still limited to the level of purchasing power. Therefore, for further research, it needs to be expanded on the age level, location of data collection, as well as the addition of demographic factors such as work, education level and other demographic things. For other countries classified as developing countries such as Indonesia, the results of this study can provide input because apparently there is no difference between men and women in terms of compulsive buying behavior. This means that men and women have the same tendency to make compulsive purchases. So is the level of purchasing power in terms of its relation to compulsive purchases. For countries that are not developing countries, namely poor countries and developed countries, an analysis of compulsive buying behavior needs to pay attention to differences in economic levels and cultural differences of the people as other factors that can influence of compulsive buying behavior.

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