

The Effect of Materialism, Endorsement and Brand Image on Online Impulse Buying Moderated Credit Card Usage in Denpasar City

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ABSTRACT: One of the unique characteristics of consumers in Indonesia is that they tend to be impulsive in shopping. The rapid flow of information that can be accessed globally, makes it easier for people to have knowledge about the products they need. The purpose of this study was to determine the effect of materialism, endorsement and brand image on online impulse buying in Denpasar City, and to see whether credit card usage can moderate the relationship between materialism, endorsement and brand image on online impulse buying. Respondents obtained are 135 respondents based on non-probability sampling which are purposive sampling. This research used quantitative method with analysis technique using moderated regression analysis (MRA). The results of the analysis show that: materialism has a positive and significant effect on online impulse buying, endorsement has a positive and significant effect on online impulse buying, brand image has a negative and significant effect on online impulse buying, credit card usage is unable to moderate the effect of materialism on online impulse buying, and credit card usage is able to moderate (strengthen) the effect of endorsement and also brand image on online impulse buying.

KEYWORDS : *online impulse buying, MRA*

I. INTRODUCTION

The development of technology today, which is accompanied by the rapid flow of all information for the community globally, makes it easier for people to have knowledge of the products they need or want through online information channels. The penetration and aggressiveness of online purchases is directly proportional to the number of Internet users in Indonesia. The survey revealed that the number of internet users in Indonesia has reached 143.26 million.

The existence of application-based online store innovations, such as Tokopedia, Bukalapak, Lazada and others, has proven to be very effective because in Indonesia the purchase of goods through online purchases continues to rise (Association of Indonesian Internet Service Providers, 2017). Online product purchases in Indonesia reached US\$ 10.9 billion or around Rp. 146.7 trillion, skyrocketing 41 percent from US\$ 5.5 billion or around Rp. 74 trillion in 2015 (Google & Temasek, 2017). The central part of Indonesia (Bali & NTB) accounts for 25.9% of online transactions, the majority of people access using mobile phones, which is 76.2% (Kominfo, 2017).

Changes in consumer behavior from conventional purchases (shopping at outlets) to online purchases, lead to impulsive buying behavior. Impulse buying is a buying behavior that is urgent, sudden, and complicated hedonic in which the speed of the impulsive decision process hinders thoughtful and deliberate consideration of alternative choices and information (Khawaja, 2018: 246). To make shopping easier, consumers use credit cards. A credit card is a card issued by a bank as a means of payment, where credit card issuers lend money to consumers so that consumers can shop (Rimenda and Listiawati, 2013).

II. LITERATURE REVIEW

The purpose of marketing is to fulfill, serve the needs and desires of customers. Therefore, a marketer must understand and study the desires, perceptions, preferences and behavior of customers in order to meet customer needs. Customer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler and Keller, 2016: 179).

Impulse buying is a buying behavior that is urgent, sudden, and complicated hedonic in which the speed of the impulsive decision process hinders thoughtful and deliberate consideration of alternative choices

and information (Khawaja, 2018: 246). Impulse buying can be classified into four types, namely pure impulse buying, reminder impulse buying, suggestion and planned impulse buying (Stern, 2012).

Materialism seems to be associated with impulse buying. This drive may be related to the identification of consumption stimuli, consumers who are facing pressure points of consumption or facilitated by the manifestation of materialistic desires (Cakarnis and D'Alessandro, 2015). This means that materialistic consumers can impulsively spend money using only inexpensive products, but even very expensive impulse buying products resulting from environmental awareness (Newman and Patel, 2004).

Endorsement is a channel of brand communication where celebrities act as spokespersons for a brand and support the brand with all the attributes of the celebrity's popularity, personality, and social status (Mowen and Minor, 2002: 401). Brand image can also influence consumer purchasing decisions and is one of the key factors considered. It has been shown that brand image is an extrinsic cue for evaluating product quality, and brand image is better if it has a high perception of quality. Brand image is the perception of a brand as reflected by the brand associations held by consumers. Consumers look for brands with attractive personalities to represent the desired aspects of their identity. Consumers discover, define, and remind themselves of who they belong to. People consume a variety of products, services and brands to express a part of who they are (Giroux et al., 2017).

The advent of credit cards and digital currencies has made online shopping more attractive. Because impulsive behavior can be accelerated by the use of credit cards, many sellers cooperate with financial institutions providing credit cards to make promotions in the use of credit cards (Bhuvanewari and Krishnan, 2015).

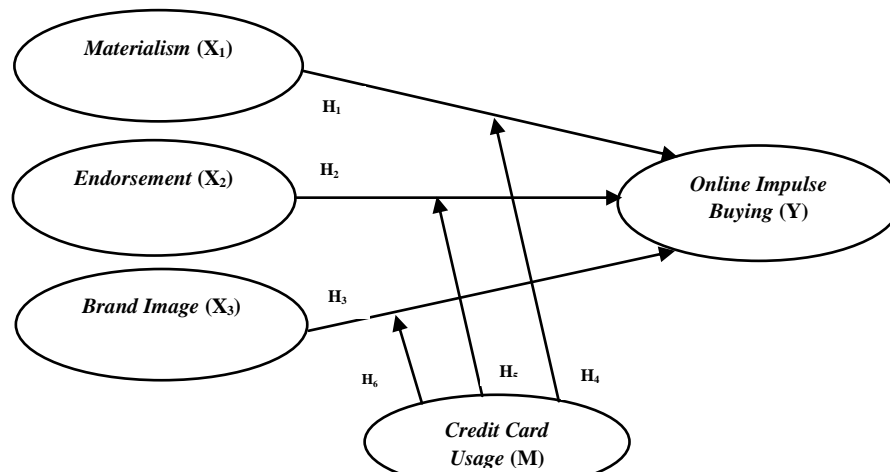


Fig 1. Conceptual Framework

III. MATERIALS AND METHODS

This research uses a quantitative approach in the form of associative study. Sampling is based on non-probability sampling with a purposive sampling technique, total sample were 130 credit card users, domiciled in Denpasar City and have shopped online at least 2 times in the last 6 months. Data was collected using an instrument in the form of a questionnaire given to customers in Denpasar City who have shopped online at least 2 times in the last 6 months. The answers from respondents is measured using a Likert scale. The research instrument test use in the form of a validity and a reliability test. Inferential statistical data analysis techniques applied with moderated regression analysis (MRA) with the help of SPSS 24.0 for Windows as the research tools.

IV. RESULTS AND ANALYSIS

Clarification of the sex of respondents tends to be dominated by male, namely 78 peoples or 57.8 percent. Based on age, the majority of respondents aged 19-24 years which is equal to 43.7 percent. The last education classification in this study was divided into five levels of education, the last education classification of bachelor dominates at 40.7 percent. The professional classification in this study is dominated by employee classification which is 43.0 percent.

Validity Testing Result

Based on TABLE 1, All research instruments used to measure materialism, endorsement, brand image, credit card usage, and online impulse buying have a correlation coefficient value with a total score of all

statement items greater than 0.3. This shows that the items in the research instrument are valid and appropriate to be used as research instruments.

TABLE 1. Validity Testing Result

No.	Variable	Indicator	Correlation Coefficients	Result
1	Materialism	X1.1	0.913	Valid
		X1.2	0.830	Valid
		X1.3	0.887	Valid
		X1.4	0.786	Valid
		X1.5	0.843	Valid
		X1.6	0.815	Valid
		X1.7	0.612	Valid
2	Endorsement	X2.1	0.930	Valid
		X2.2	0.969	Valid
		X2.3	0.960	Valid
3	Brand Image	X3.1	0.908	Valid
		X3.2	0.904	Valid
		X3.3	0.942	Valid
		X3.4	0.859	Valid
		X3.5	0.802	Valid
		X3.6	0.909	Valid
4	Credit Card Usage	M.1	0.945	Valid
		M.2	0.938	Valid
		M.3	0.929	Valid
5	Online Impulse Buying	Y.1	0.953	Valid
		Y.2	0.948	Valid
		Y.3	0.924	Valid
		Y.4	0.918	Valid
		Y.5	0.950	Valid
		Y.6	0.920	Valid
		Y.7	0.932	Valid
		Y.8	0.924	Valid

Reliability Testing Result**TABLE 2. Reliability Testing Result**

No.	Variable	Cronbach's Alpha	Result
1	Materialism	0.908	Reliable
2	Endorsement	0.950	Reliable
3	Brand Image	0.945	Reliable
4	Credit Card Usage	0.927	Reliable
5	Online Impulse Buying	0.978	Reliable

The instrument is said to be reliable if it has a Cronbach's alpha more than 0.60. All research instruments have a Cronbach's Alpha coefficient of more than 0.6. so it can be stated that all variables have met the requirements of reliability or reliability so that they can be used to conduct research.

TABLE 3. Moderated Regression Analysis Results

Model		Standardized	Sig.	Conclusion
		Coefficients		
		Beta		
1	(Constant)			
	Materialism	0,646	0,000	Significant
	Endoresment	0,408	0,000	Significant
	Brand Image	-0,181	0,000	Significant
	Credit Card Usage	0,166	0,001	Significant
	Materialism_Credit Card Usage	-0,040	0,357	Not Significant
	Endorsement_Credit Card Usage	0,093	0,026	Significant

<i>Brand Image_ Credit Card Usage</i>	0,101	0,020	Significant
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Dependent Variable: Online Impulse Buying

Materialism has a value of 0.646 with a significance level of $0.000 < 0.05$, so it can be stated that materialism has a positive and significant effect on online impulse buying. Because materialism has a positive and significant effect on online impulse buying, this result is in line with H1 that has been formulated. Endorsement has a value of 0.408 with a significance level of $0.000 < 0.05$, so it can be stated that endorsement has a positive and significant effect on online impulse buying. Because endorsement has a positive and significant effect on online impulse buying, this result is in line with H2 that has been formulated. Brand image (X3) has a value of -0.181 with a significance level of $0.000 > 0.05$, so it can be stated that brand image has a negative and significant effect on online impulse buying. Because brand image has a negative and significant effect on online impulse buying, H3 is rejected.

Credit card usage is not able to moderate the effect of materialism on online impulse buying. The test results of the effect are not significant, this relationship is called a moderator predictor. This means that this moderating variable only acts as a predictor (independent) variable in the relationship model that is formed. Because credit card usage is not able to moderate the effect of materialism on impulse buying, H4 is rejected. Credit card usage is able to moderate (strengthen) the effect of endorsement on online impulse buying. The test results of the effect are both significant, this relationship is called pseudo-moderation (quasi moderator). This means that credit card usage is a variable that moderates the relationship between the independent variable and the dependent variable, which is also an independent variable. Because credit card usage is able to moderate the effect of endorsement on online impulse buying, this result is in line with H5 that has been formulated. Credit card usage is able to moderate (strengthen) the effect of endorsement on online impulse buying. The test results of the effects are both significant, this relationship is called pseudo-moderation (quasi moderator). This means that credit card usage is a variable that moderates the relationship between the independent variable and the dependent variable, which is also an independent variable. Because credit card usage is able to moderate the effect of endorsement on online impulse buying, this result is in line with H6 that has been formulated.

V. CONCLUSION

Based on the results of testing the hypothesis of the effect of materialism on online impulse buying, the results show that the materialism variable has a positive and significant effect on online impulse buying consumers in Denpasar City. When materialism overrides marginal levels of self-control and impulse regulation, which results in higher instances of impulse buying, particularly when the means of consumption are available or easily accessible such as credit cards. Endorsement has a positive and significant effect on consumer online impulse buying in Denpasar City. This means that celebrity endorsements on social media or other online platforms today specifically reveal the direct impact of celebrity digital social relationships on actual impulse buying, highlighting the importance of digital celebrity relationships for businesses to trigger impulsive behavior. Brand image variable has a negative and significant effect on online impulse buying consumers in Denpasar City. When the brand image is getting better, the lower the level of online impulse buying. Consumers are more likely to buy products impulsively when it is a brand they are not familiar with or when it is a brand they like even though they do not know much about the particular product itself. Credit card usage is not able to moderate the effect of materialism on online impulse buying in Denpasar City. This means that changes in credit card usage will not strengthen or weaken the influence of materials on online impulse buying in Denpasar City. Credit card usage is able to moderate (strengthen) the effect of endorsement on online impulse buying in Denpasar City. This means that credit card usage can be one of the variables that can moderate the endorsement relationship with impulse buying. This happens because consumers tend to follow the endorsement trend made by their celebrity role models in determining online purchasing decisions. Credit card usage is able to moderate (strengthen) the influence of brand image on online impulse buying in Denpasar City. This means that with credit card ownership, consumers will be stimulated to shop online.

After studying, analyzing, discussing, and drawing conclusions, the authors provide some suggestions for future research considerations. Materialism has the highest effect on online impulse buying, compared to the endorsement and brand image variables. Therefore, it is suggested to producers to pay more attention to materialism because consumers doing impulse buying can be seen as a way to maintain social status in society. Consumers with materialism when met with an online shopping platform will trigger online impulse buying. Judging from the respondent's answer where "I spend money on goods that are not needed", where the indicator shows the lowest number of respondents' answers which means that producers must make more efforts to attract more consumers.

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