

CHAPTER 5

CONCLUSION AND RECOMMENDATION

Chapter 5 will discuss the research findings and the results based on the previous chapters (Chapter1, 2, 3 and 4). Concluding the research findings, leading to the answer and justification of the hypothesis. This chapter will also discuss the managerial implications, limitations of the research and recommendation for future research.

5.1 Conclusion

The research of investigating the significance of consumers' intrinsic factors, namely emotional instability, agreeableness, extraversion, openness to experience, conscientiousness, collectivism, individualism, shopping enjoyment tendency, materialism and impulse buying tendency, have resulted with interesting findings. The SPSS 21.0 software was used in deriving all the results and analysis using binary logistic regression to discuss the research questions of the study. The following paragraphs will therefore conclude and discuss about the outcomes of the research questions respectively.

5.1.1 Does the personality trait “emotional instability” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, the trait emotional instability has a positive significance towards impulse buying behavior where one is 1.628 times more likely to conduct impulse buying when possessing this personality trait. In other words, the more emotionally instable an individual is, the more likely for them to conduct impulse buying behavior. In this case, respondents who feel that they are emotionally instable are more likely to conduct impulse buying behavior.

This therefore confirms the research made by (Donnelly et al., 2012; Shahjehan et al., 2012) where an individual who possesses the trait of emotional instability is highly linked with impulse buying behavior. Therefore, impulse buying behavior may act as a short-term solution for those who are emotionally instable by curing their negative feelings such as moodiness, insecurity, tension,

anxiety and depression (Mikolajczak-Degrauwe et al., 2012; Shahjehan et al., 2012).

5.1.2 Does the personality trait “agreeableness” have a positive effect towards impulse buying behavior?

According to the result of the binary logistic regression, the trait agreeableness does not have a positive significance towards impulse buying behavior where one is 0.859 (14.1% reduction) less likely to conduct impulse buying when possessing this personality trait. This is indeed an interesting result as it is contrary to the result of (Chen & Lee, 2015) where an individual who exhibits the trait of agreeableness is less doubtful and have less mistrust hence is more prone towards impulse buying behavior compared to those who have a more critical mindset.

The result of the binary logistic regression is found to be opposite to what the author expected. Therefore this means that Indonesian consumers who have the trait of agreeableness not necessarily are prone to impulse buying behavior. A research by (Mikolajczak-Degrauwe et al., 2012) mentioned that agreeableness involves trust, sympathy and maintaining good relations with their surroundings. Consequently, one who is an agreeable may not see impulse buying as a socially desirable behavior as it can prevent maintaining positive relations with others. For this reason, one with the trait of agreeableness may not be very interested to conduct impulse buying behavior.

5.1.3 Does the personality trait “extraversion” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, the trait extraversion has a positive significance towards impulse buying behavior where one is 4.157 times more likely to conduct impulse buying when possessing this personality trait. In other words, the more extroverted an individual is, the more likely for them to conduct impulse buying behavior. In this case, respondents who felt that they are extrovert are more likely to conduct impulse buying behavior.

This therefore confirms the research by (Shahjehan et al., 2012) where extroverts who display characteristics such as being outgoing, talkative and confident

are less likely to be utilitarian shoppers and have a tendency towards “hedonic” shopping behavior (Guido et al., 2007). They have much lower self-control and are seen to be a more impulsive person as compared to introverts (Mikolajczak-Degrauwe et al., 2012). Consequently, individuals who are outgoing and sociable are certainly more likely to conduct impulse buying behavior during their shopping mission at supermarkets and hypermarkets.

5.1.4 Does the personality trait “openness to experience” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, the trait openness to experience has a positive significance towards impulse buying behavior where one is 1.778 times more likely to conduct impulse buying when possessing this personality trait. In other words, the more open an individual is for new experiences, the more likely for them to conduct impulse buying behavior. In this case, respondents who felt that they are more adventurous and open to new experiences are more likely to conduct impulse buying behavior.

This therefore confirms the research by (Dameyasani & Abraham, 2013) where individuals who are highly open to new experiences will be more willing and open-minded to try something new, that sometimes are outside their comfort zone. This may be motivated by their naturally curious, spontaneous and adventurous mindset (Corr & Matthews, 2009). For this reason, individuals who are more open to new experiences, such as trying new products and services, will certainly be more prone towards impulse buying behavior

5.1.5 Does the personality trait “conscientiousness” have a negative effect towards impulse buying behavior?

Based on the result of the binary logistic regression, the trait conscientiousness has a positive significance towards impulse buying behavior where the null hypothesis is rejected. In other words, conscientious individuals who are often characterized as being disciplined, diligent, persistent and resourceful still have a possibility to conduct impulse buying behavior.

This finding therefore deserves extra attention as a person who is disciplined, responsible and have a sense of precision may still be able to still be sensitive

towards the retail environment by being impulsive shoppers. Therefore conscientious people can still have the urge to conduct impulse buying behavior. For this reason, marketers should be aware of this opportunity by marketing their products perhaps more intellectually to target and attract these consumers.

5.1.6 Does “collectivism” has a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, collectivism has a positive significance towards impulse buying behavior where one the null hypothesis is rejected. Therefore an individual who lives by a collectivist culture will be more prone to impulse buying behavior.

As explained before in chapter 3, Jakarta consumers prioritize their in-group circles and take into account the goal, belief and expectation of their in-group as their personal goal (Lake, 2009). Decision making are often made as a group therefore the choices of their in-group members will influence theirs (Lake, 2009). In addition to this, there is also an increasing trend of group shopping as individuals adopt the concept “the more the merrier”. Hence, the presence of others may certainly increase their chances of conducting impulse buying behavior. Moreover, (Lake, 2009) further acknowledged that collectivist consumers are more satisfied to conduct impulse buying behavior when they are with their in-group members in contrast to shopping alone. Furthermore, another reason why the collectivist people in Jakarta tend to be impulse is because they are more inclined to share information with one another. In consequence, marketers should take into account that “mouth to mouth” marketing tactics may be more persuasive and trustworthy in Jakarta.

5.1.7 Does “individualism” has a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, individualism does not have a positive significance towards impulse buying behavior where one the null hypothesis is rejected. The result of the binary logistic regression contrary the research by (Bashir et al., 2013) have a positive significance towards impulse buying behavior because individualistic people have a willingness to be unique, distinctive and that these drive will lead them to venture for new products and services. Hence,

the result shows that an individualistic person not necessarily is prone towards impulse buying behavior.

According to (Bashir et al., 2013), people who live by the individualistic society tend to be more satisfied with their life as compared to people who live by the collectivist society. Therefore they may not be as easily distracted to conduct impulse purchase during their shopping missions. Moreover, (Kacen & Lee, 2002) also mentioned that individualistic people are motivated by their own preferences and needs. They also have a more rational mindset. Hence, this may be the reason why they are less pressured to conduct impulse buying, as they are more controlled and logical in thinking.

5.1.8 Does “shopping enjoyment tendency” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, shopping enjoyment tendency has a positive significance towards impulse buying behavior where one is 6.26 times more likely to conduct impulse buying when possessing this trait. In other words, the more individual enjoys shopping, the more likely they are to conduct impulse buying behavior. In this case, respondents who feel that they are more have a positive value in shopping enjoyment tendency are more likely to conduct impulse buying behavior.

A research by (Soeseno, 2011) supports the finding where individuals who score high in their shopping enjoyment tendency will be very prone towards impulse purchase. In contrast, those who do not enjoy shopping will be very straightforward during their shopping mission and avoid investing their time to browse along the aisles. Therefore this shows that Jakarta consumers find enjoyment and pleasure from the process of shopping. Thus, marketers should create a positive shopping environment for shoppers by for instance paying more attention to the account's interior design, product placement and even music. A more detailed explanation will be done at the managerial implication section of this paper.

5.1.9 Does the “materialism” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, materialism has a positive significance towards impulse buying behavior where one is about 35 times more likely to conduct impulse buying when possessing this trait. In other words, the more materialistic an individual is, the more likely they are to conduct impulse buying behavior. In this case, respondents who felt that they value materialistic goods are more likely to conduct impulse buying behavior.

Therefore the result depicts that Jakarta shoppers do find importance and relate material things with their personal happiness. Hence, shopping and owning material things can be a way for them to find content and security. Therefore, the fact that materialistic individuals find it difficult to resist temptation from buying favorable purchases may create loopholes for marketers to take advantage of this situation.

5.1.10 Does the “impulse buying tendency” have a positive effect towards impulse buying behavior?

Based on the result of the binary logistic regression, impulse buying tendency has a positive significance towards impulse buying behavior where one is more likely to conduct impulse buying when possessing this trait. In other words, the higher the tendency for an individual to conduct impulse buying, the more likely they are to conduct impulse buying behavior. In this case, respondents who felt that they are more have a high value in impulse buying tendency are more likely to conduct impulse buying behavior.

This result is in line with a previous research conducted by (Beatty & Ferrell, 1998) where one who have a high score of impulse buying tendency has a high tendency to feel the urge to buy products or services impulsively. Therefore this clearly shows that Jakarta consumers have a high impulse tendency. Hence, these individuals will usually react positively towards incentives reinforcements and marketing stimuli. Since impulse buying tendency is also closely linked with a behavior trait “lack of control”, the regression result also can mean that Jakarta

consumers have a lack of cognitive control where they are more likely to engage in aisle browsing and affected by incentives and advertisements (Foroughi et al., 2013).

5.2 Managerial Implications

The findings of this study provided a valuable result whereby it suggests implications and recommendations for managers in supermarkets and hypermarkets context as well as insights for creating more stimulating environment and situation to increase impulsive buying behavior such as marketing strategies and tactics. As we know that impulsive buying contributes a high margin of the total sales made by supermarkets and hypermarkets and it is not considered unusual in the buying process of customers. Impulsive buying is believed to be influenced by many factors. In this case, the author discusses about intrinsic factors that includes emotional instability, agreeableness, extraversion, openness to experience, conscientiousness, collectivism, individualism, shopping enjoyment tendency, materialism and impulse buying tendency. Therefore, this study provides way on how accounts can improve their strategies in increasing shopper's impulsive buying behavior.

5.2.1 Personality: Emotional Instability, Agreeableness, Extraversion, Openness to Experience, and Conscientiousness

Influence from an individual's personality does affect consumer behavior hence their tendency and urge towards impulse buying behavior. For instance, emotional instability, extraversion, openness to experience as well as conscientiousness were suggested to have a positive significance towards impulse buying behavior. There are several ways in which marketers of products can improve and elevate their performance. However, they should firstly pay more attention by identifying these intrinsic factors before segmenting consumers' personality into groups, and finally linking their product personality to the targeted market segments that have relevant personality traits. For instance, marketers may incorporate elements that match with certain personality traits into their advertisements and even tag lines that relate to their personality traits (Mendenhall, 2014).

5.2.3 Extraversion

There is a positive association between impulsive buying and extraversion. This means that outgoing and sociable people were more susceptible to impulsive buying and could be targeted by the sales people. Thus, based on this finding, on one hand, marketers in general, and retailers in particular, should look for specific indicators to identify people high on extraversion so as to initiate impulsive behavior. Since extroverts are highly sociable individuals, employee assistance may perhaps be a smart initiative to target and attract them to conduct impulse buying behavior. For instance, marketers should ensure that salespersons have proper management training with the appropriate body language and ability to communicate well with potential customers that the product is targeting. Moreover, marketers should also ensure that salespeople truly understand the product well hence creating more confidence for them when answering any questions from consumers. Last but not least, a target-based incentive may also be given to salespeople in order to motivate them to approach customers and also to provide a better quality of service (Cherry, 2015).

5.2.2 Collectivism and Individualism

Although individualism was suggested not to have a positive significance towards impulse buying behavior, collectivism does. With increased trend of group shopping, collectivists are being affected by the presence of others and they might be influenced to buy impulsively. From marketers' point of view, this could be a serious opportunity to influence and encourage collective buying by not just merely developing communication messages aimed at promoting "buying in groups", but also by offering a variety of products. Furthermore, marketers with the motive to encourage the collectivist people in Jakarta to buy collectively in their very own comfort zone could provide incentives such as group-coupons, group-shopping points, "buy 3 for 2 – Buy 3 products and get the cheapest for free" and referral marketing. As a matter of fact, a recent finding from Nielsen suggest that referral marketing is a smart use of incentive by allowing the power of consumer recommendations in order to achieve sales target and improvement in revenue amounts (Nielsen, 2015). Moreover, the form of referral marketing may too be applied in social media, as Internet referral marketing is potentially to spread at a much quicker rate towards a wider audience in comparison to offline marketing.

Marketers may even provide giveaways to those who share and conduct that particular referral marketing. Hence, the winner would receive a giveaway or a prize as a return for their favor.

5.2.3 Shopping Enjoyment Tendency

Shopping enjoyment tendency did exert positive influence on impulsive buying behavior. Therefore, this should be considered as an important information to the marketers especially given the fact that majority of Indonesians enjoy shopping.. With a definite link between shopping enjoyment tendency and impulsive buying behavior, marketers should try to improve the overall feel of the shopping experience. For this reason, they should strive to bring out a feeling of enjoyment from the customers who visit the store. For instance, one may improve the interior design by providing an exiting feel and thus making potential consumers feel awake, welcomed and comfortable. An example would be providing a bright environment with great lighting and systematic placement of products so consumers will be able to shop more efficiently and conveniently. Furthermore, one may also take into account into more details such as the sound of the environment. This could certainly elevate consumers' mood hence positively encourage the impulse buying process of consumers. Last but not least, marketers must surely provide incentives such as discounts, promotions (buy 1 get 1 free), helpful salesperson as well as constant product innovations and improvements (Mendenhall, 2014).

5.2.4 Materialism

The positive relationship between materialism and impulsive buying behavior could be another window of opportunity to marketers at various accounts. Creating affordable luxury brands with great personality will certainly help lure materialistic individuals to conduct impulse buying behavior. This would also help attract the “quality obsessed” and “brand obsessed personas. For this reason, consumers will see more value for the products at still a reasonable price. In addition to this, tag lines aimed at creating individuals' pride in possession of “only-for-you” type of products could also be used to enhance the materialistic mindset of the consumers, which would ultimately result in impulsive behavior.

5.2.5 Impulse Buying Tendency

With impulsive buying tendency positively influencing impulsive buying behavior, marketers need to look at the various cues that are related to impulsive buying tendency, so that they could push consumers to conduct impulsive buying behavior. Since individuals who score a highly in impulse buying tendency have lesser control in their cognitive thinking and behavior, marketers may create promotions such as discounts and buzz marketing such as “Buy 1 Get 1 Free” at a specific time frame. Therefore, this will push one who scores highly in impulse buying tendency to conduct impulse buying behavior. Moreover, timed events such as midnight sales or end-of-the-month sales may too be conducted to catch one’s attention.

5.3 Limitations of Research

The findings and analysis in this research are limited due to certain factors, which are as follows:

1. Due to budget and time constraint, the data collected for this research were done by convenience sampling method. Respondents only come from Jakarta. Therefore the results for this study may not be applicable to other cities in Indonesia and other place overseas except Jakarta itself.
2. Due to limited time the author was only successful to target 150 respondents for the survey, which resulted to the final findings. Consequently, this may provide limited insights in order to accurately represent the whole population of Jakarta.
3. The industry for this specific study only covers the FMCG industry as data were collected from supermarkets and hypermarkets in Jakarta. Therefore, the findings and results of this study may not be applicable to other form of industries such as food and beverage industry, automotive industry, and department store context industry.
4. The majorities of the respondents were at the ages of 18-25 and were still undergoing studies at university level. There is possibility that different age groups or respondents with different demographic background will generate different findings.

5.4 Future Research and Recommendations

Based on the limitations that the researcher provided in the previous section, there are several recommendations that can be taken into future considerations for further research:

1. A research can be conducted in other major cities in Indonesia such as Surabaya and Jogjakarta, to analyze whether there are similarities or differences in response gathered from respondents.
2. Further research could conduct a research for other industries such as department stores, food & beverages, and higher end cosmetics industry, which may conclude different findings compared to the current study.
3. Future studies could conduct a mixture of all ten intrinsic factors with major external factors relating towards impulse buying behavior.
4. Future research could conduct the qualitative technique as a form of data collection.
5. Future studies could also increase the number of respondents to create a better generalization and improve the accuracy of the research findings.
6. Future studies could increase the variety of respondents in terms of age and occupation to improve the accuracy of the findings.
7. Future research can alter the sampling method to improve the accuracy of data from respondents. Some suggested sampling method include judgment and purposive sampling.