

THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Factors that May Be Used as a Decision Basis of Fashion Products Online by Y Consumer Generation in Jakarta City, Indonesia

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Abstract:

The purpose of this research is to analyze the Effect of Ease, Trust and Price on the Decision of Fashion Product Purchasing Online by Consumer Generation Y in Jakarta City. The method used in this research is Survey Method by using Questionnaire. The analysis tool used is Multiple Linear Regression. The results of this study indicate that the decision of purchasing fashion products online by Y-generation consumers is influenced by the factor of convenience and price factor, while the factor of trust does not affect the purchase decision. The biggest factor influencing purchase decision is Price.

Keywords: Ease, trust, price, and purchase decision

1. Introduction

The development of information technology is very fast produce one of the products that form the internet. Internet is not a new thing for the people of Indonesia. Various generations have known even using the internet. Internet users in Indonesia experienced a significant increase from the year 2013 of 71.2 million rose to 88.1 million in 2014. Internet users in Indonesia the majority occurred in Java for 52 million people of the total users of 88.1 million. Based on the age of majority internet users are at the age of 18 - 25 years that is equal to 49% and at the age of 26-35 years of 33.8%. For more details see the diagram below.

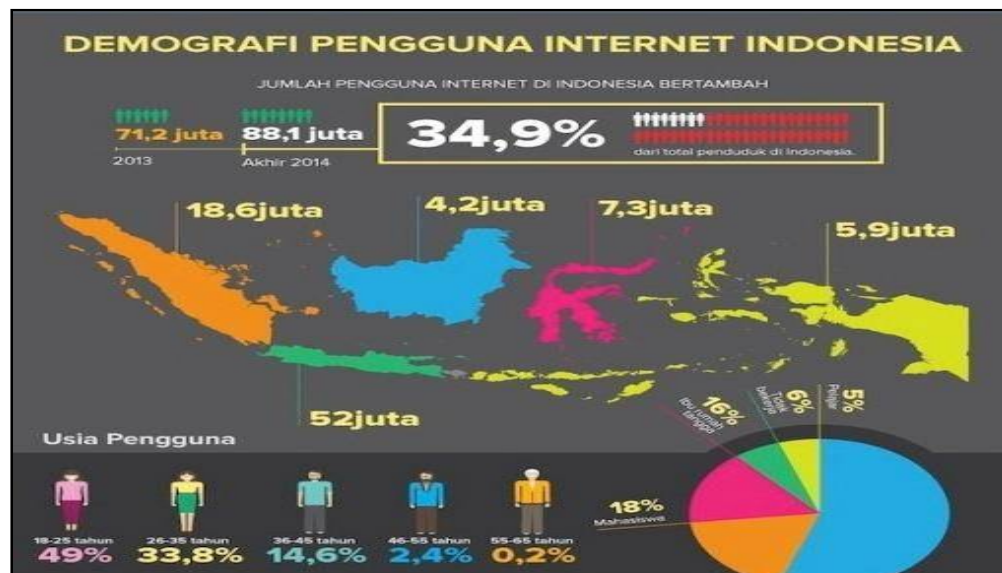


Figure 1: Demographic data of Internet User Indonesia

Source: <https://kudo.co.id>

If we associate internet users based on generation theory then Generation Y born in 1982 s.d. 2004 (Nugroho, 2016) means those who are currently (2017) are between 13 years old s.d. 35 years is the largest internet user in Indonesia. Internet can be used to recognize various things, ranging from social networking, applications, news, video, photos to shopping through the internet or often called online shopping is better known as e-commerce (electronic commerce). Through e-commerce transactions occur between the seller and buyer through electronic media from the internet by establishing agreements on the price and delivery of certain goods or services

and completing transactions through the delivery and payment of goods or services according to contract (Guay and Wttwein: 1998) in Shomad (2013). The development of e-commerce in Indonesia is quite encouraging from 2013 s.d. 2016 has increased every year although compared with other Asian countries Indonesia is still in fifth position.



Figure 2

The products that are often purchased online are Fashion products at 78%, followed by Car 46%, Consumer electronics 43%, Books and magazines 39%, and Groceries 24%. See the data below.



Figure 3

Y generation of users as the dominant Internet users mostly purchase Fashion products online. Many considerations in deciding online purchases include convenience, trust, and pricing. The ease of purchase offered through online purchasing plays a role in attracting consumers. For consumers who do not have enough time to visit the shops to make purchases traditionally, can shop online because one of the ease of purchase online that is realtime and can be accessed anywhere. Good ease in terms of operating the site, how to deal, until the delivery of goods, is an important thing in online trading (Naomi, Baraba, and Saputra: 2014). The ease factor significantly and positively influences online purchasing decisions according to Wahyuningtyas and Widiastuti (2015) research results. According to the results of research Wijaya and Teguh (2012) factor ease partially no effect on buying interest in online shop. Another factor that can affect online shopping is trust. When an online shopper, the main thing that a buyer considers is whether they trust the website that provides online shopping and online sellers on the website. The buyer's belief in the online shopping website lies in the popularity of the online shopping website. The more popular a website, the more confident buyers and believe in the reliability of the website. Furthermore, buyers' trust in online sellers is related to the reliability of online sellers in ensuring the security of transacting and assuring the transaction will be processed once the payment has been made by the buyer. Trust factors have a significant influence on purchasing decisions through social networking websites (Sukma: 2012)

Another factor that can also be considered for online shopping is price. Price is one of the deciding factors related to consumer buying decisions. This is in accordance with the results of research Naomi, Baraba, and Saputra (2014) prices partially affect the purchase decisions online. Price is something that consumers consider in getting a product. Consumers will buy a product if the price is deemed worthy by them.

Objectives to be achieved from this research to analyze the influence of ease, trust, and price against the Purchase Decision Fashion Products online by consumers Y generation in the city of Jakarta.

2. Review of Literature

2.1. Definition, Purchase Decision, Convenience Factor, Trust Factor, and Price Factor

2.1.1. Buying Decision

Consumers are exposed to various purchasing decisions every day. Purchasing decisions are the consumer's decision regarding preferences for brands in the set of options (Kotler and Keler, 2009: 240). Thus in making consumer purchasing decisions are faced with two or more options.

According to Haubl and Trifts (2000) defines shopping through internet media as an exchange or computer activity that a consumer conducts through a computer interface as a base, where the consumer computer is connected to the internet and can interact with retailers or virtual shops that sell products or services through

2.1.2. Convenience Factor

Davis (1989: 320) defines ease of use as a level where one believes that a technology can be easily used.

2.1.3. Trust Factor

Consumer confidence is defined as the willingness of one party to accept the risk of the other's actions based on the expectation that the other party will take an important action for those who trust it, regardless of the ability to supervise and control the actions of the credible (Mayer et al 1995)

2.1.4. Price

Price is a sum of money that is billed on a product or service (Kotler and Armstrong, 2008: 345) Decision making on prices should be done carefully by the manufacturer. Overpriced pricing can bring substantial profits to producers but can result in difficult reach by consumers. Conversely, the price is too cheap market share can jump high but the net profit achieved by producers can be too small. Price is one of the aspects that influence the purchase of consumer products (Tirajoh, 2013)

2.1.5. Generation Y

The generation born from 1977 to 1994 is known as Generation Y (Hawkins and Mothersbaugh). According to Nugroho (2016) millennial generation (Generation Y) generation born from 1982 - 2004.

2.2. Previous Research

The previous research related to the variables used in this research is Wahyuningtyas and Widiastuti (2015). The Effect Analysis of Risk Perception, Ease, and Benefit of Online Purchase Decision (Case Study on Consumer Goods Fashion on Facebook) shows that variable of Risk Perception, And Benefits have a significant and positive effect. Verina, Yulianto, and Latief (2014), Factors Affecting Purchase Decision At Fashion Store On Facebook Social Network. Result of research Variable atmosphere, promotion, trust, and characteristic of consumer have positive and significant influence. While the product, price, and service variables have positive but not significant effect, the most dominant variable is consumer characteristic variable. Naomi, Baraba, Saputra (2014), Effect of Trust, Ease, Quality of Information, and Price on Consumer Purchase Decision in Choosing to Shop Online. Research Results Variables of trust, ease, quality of information, and prices partially affect the purchase decisions online. Wijaya and Teguh (2012), Factors Affecting Buy Interest In Online Shop Specialist Gues. The results of research Partially variables that affect the interest of buying online Specialist Gues, among others price, promotion, and trust. While the product variables and ease of purchase have no effect on the buying interest of consumer online Specialist Gues. Heijden, Verhagen, Creemers (2003), Understanding online purchase intentions: contributions from technology and trust perspectives. Research results show that Trust and technology instantly affect the attitude towards online purchases.

2.3. Thinking Framework

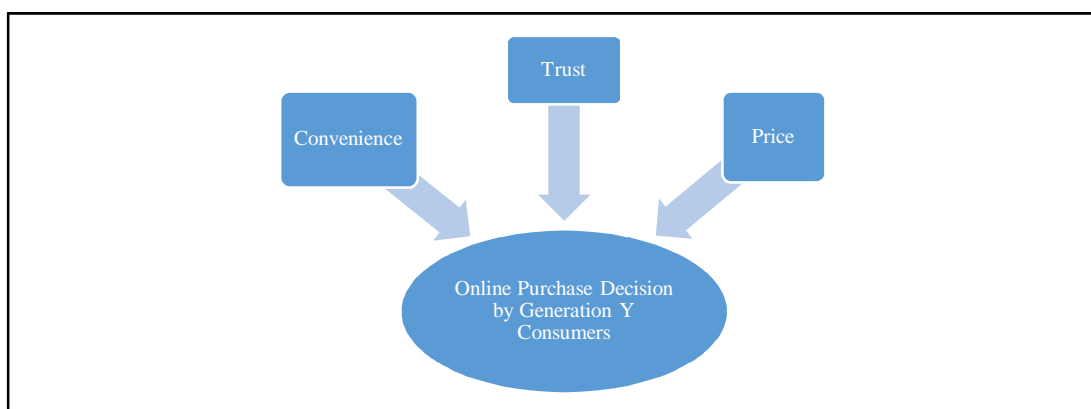


Figure 4

Hypothesis

- H1 = Ease of effect on purchasing decisions online by Y-generation consumers in the city of Jakarta.
 H2 = Trust affects online purchasing decisions by Y-generation customers in the city of Jakarta.
 H3 = Price affects purchasing decisions online by Y-generation customers in Jakarta.

3. Research Methods*3.1. Data and Data Sources*

Researchers obtained data directly by distributing questionnaires through Google Form to Y generation respondents who purchased fashion products online in Jakarta. The study was conducted from June 23 to July 14, 2017.

3.2. Population and Sample

The population in this study is the Y generation consumers who buy fashion products online in the city of Jakarta. While the sample amounted to 75 respondents.

*3.3. Test Validity and Reability Test*3.3.1. Test Validity

Test Validity is used to test the validity or accuracy of the measuring tool, to ascertain whether the information is as expected. From the table of validity Ease, Trust, Price, and Purchase Decision can be explained that all statements contained in the variable declared valid.

3.3.2. Reliability Test

The reliability test is intended to show the nature of a measuring instrument whether it is accurate, stable or consistent in measuring what it wants to measure. From Table Reliability Ease, Trust, Price, and Purchase Decision, the result of Cronbach alpha coefficient greater than 85% (0,85) means that all statements on each variable is not reliable and can be used for further analysis.

*3.4. Data Analysis Method*3.4.1. Multiple Linear Regression Analysis

$$Y = b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$$

Where:

- B1 = ease regression coefficient
- B2 = Trust regression coefficient
- B3 = Price regression coefficient
- Y = Variable Purchase Decision
- X1 = Variable Convenience
- X2 = Trust Variables
- X3 = Price Variable
- E = error

3.4.2. Test t (t-test)

T test is used to know the influence of each independent variable that is Ease, Trust, and Price to dependent variable that is Purchase Decision. With this test can be known which independent variables that have the greatest influence on the dependent variable.

3.4.3. F Test (F-test)

F test is used to test whether the model used to explain the effect of independent variables (X1: Ease: X2: Trust and X3: Price) to the dependent variable (Y: Purchase Decision) is accepted or not.

3.4.4. Coefficient of Determination

In essence Coefficient of Determination (R²) is used to measure how far the model's ability (Ease, Trust, and Price) in explaining the variation of bound variables (Purchase Decision). The coefficient of determination is between zero (0) and one (1). The increasing value of R² means the ability of the independent variables to explain the variation of the dependent variable the better. A value close to one means the free variables provide almost all the information needed to predict the variables bound.

4. Research and Discussion Result

4.1. Research Results

4.1.1. Multiple Linear Regression Test Result

In this study used multiple regression with the aim to determine whether there is influence of independent variables on the dependent variable securer together.

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.501	2.961		1.858	.067		
	Kemudahan	.465	.131	.373	3.542	.001	.587	1.704
	Kepercayaan	.084	.117	.075	.719	.474	.602	1.661
	Harga	.464	.128	.393	3.628	.001	.553	1.807

Table 1: Multiple Regression Measurement between Ease of Access, Trust, Price to Purchase Decision
Source: Results of SPSS Data Processing 20

a. Dependent Variable: Decision Purchase

From the data processing above if written in the form of regression equation is as follows:

$$Y = 0.465 X_1 + 0.084X_2 + 0.464X_3 + e$$

The explanation of the equation is as follows:

1. Judging from the level of significance of the ease free variable of 0.001 which is greater than the alpha level of 0.05, it means that the free ease variable significantly affects the dependent variable of the purchase decision. The positive regression coefficient value of positive variables shows that the influence of ease of purchasing decision in the same direction, meaning that if the ease is low, it will decrease purchasing decision or if high ease then it will increase purchasing decision.

2. Judging from the significance level of confidence-free variables of 0.474 which is greater than the alpha level of 0.05, it means that the independent variable of trust does not affect the dependent variable purchase decision. This shows a person's belief in the online shop has no effect on purchasing decisions. If the trust of a person / consumer up or down does not affect the purchase decision.

3. Judging from the significance level of the free variable price of 0.001 which is smaller than the alpha level of 0.05, it means that the independent variable of price has a significant effect on the dependent variable of the purchasing decision. The value of the positive price variable regression coefficient indicates that the influence of price on the purchase Decision direction, meaning that if the price is good, it will increase the purchase decision and vice versa.

Of the three independent variables (X_1 = Ease, X_2 = Trust, X_3 = Price) which has the greatest / dominant influence on the purchase decision is the ease variable with Beta value 0.465.

4.1.2. Test F

Test F is the test used to test the model used to explain the effect (X_1 = Ease, X_2 = Trust, X_3 = Price) to the dependent variable (Y = Purchase decision). The F test result table is presented below:

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	658.541	3	219.514	27.578	.000 ^b
	Residual	565.139	71	7.960		
	Total	1223.680	74			

Table 2: Test Result F

Source: Results of SPSS Data Processing 20

a. Dependent Variable: Decision_Purchase

b. Predictors: (Constant), Price, Trust, Convenience

Based on the result of ANOVA or F test in the following table, F calculated 27,578 using the 95% confidence level, alpha (α) = 5% degrees freedom (degree of freedom) of $k-1$ or $4-1 = 3$ and degrees of freedom Denominator ($n - k$) or $75 - 4 = 71$ (n is the sum of data and k is the number of independent and dependent variables), then the result of F table is 2.73. Can be known F count for 45.852 is

greater than F table of 2.72. This indicates that H_0 is rejected and H_a accepted. This means that the model used to explain the Effect of Ease, Trust and Price on the purchase decision is acceptable.

4.1.3. Determination Coefficient Analysis

In essence the coefficient of determination (R^2) is used to measure how far the model's ability (Ease, Trust and Price) in explaining the variation of bound variables (purchase decision).

Model Summary			
Model	R	R Square	Adjusted R Square
1	.734 ^a	.538	.519

Table 3: Coefficient of Determination Results

Source: Results of SPSS Data Processing

a. Predictors: (Constant), Price, Trust, Convenience

b. Dependent Variable: Decision_Purchase

From the determination coefficient test above, it can be assessed that the value of Adjusted R Square 0.519. This shows that 51.9% of purchasing decisions are affected by Ease, Trust and Price. While the rest of 48.1% influenced by other variables that are not included in this study.

4.2. Discussion of Research Results

In this discussion the authors analyze the influence of each - independent variables of convenience, trust, price to the dependent variable, namely the purchase decision. The results of this study show that the decision to buy fashion products online by consumers Y generation is influenced by ease and positive results. This means the higher the ease of encouraging people to make purchasing decisions. This is reasonable, because high ease will encourage consumers to make purchasing decisions. This research is in line with Wahyuningtyas and Widiastuti (2015) and Naomi, Baraba, and Saputra (2014) studies. In contrast, this study contradicts the results of research Wijaya and Teguh (2012) which states that ease of purchase has no effect on buying interest, let alone purchasing decisions. The results of this study indicate that the decision of purchasing fashion products online by Y-generation consumers is not influenced by trust. This shows a person's belief in the online shop does not affect the purchase decision. If the confidence of a person / consumer up or down will not affect the purchase decision. The results of this study contradict the results of research, Verina, Yulianto, Latief (2014), Naomi, Baraba, Saputra (2014), Sukma (2012), Wijaya and Teguh (2012), Hejiden, Verhagen, Creemers (2003) A significant influence on online purchasing decisions.

The results of this study indicate that the decision of purchasing fashion products online by Y-generation consumers is influenced by the price and the results are positive. The better the price it will encourage customers to make purchasing decisions. This is reasonable, because customers have confidence with the right price will affect the purchase decision. This is supported by research, Verina, Yulianto, Latief (2014), Naomi, Baraba, Saputra (2014), Wijaya and Teguh (2012).

5. Conclusions and Recommendations

5.1. Conclusion

From the results of this study can be submitted some conclusions as follows.

1.1 Convenience Factor proved to have a significant influence on Decision Purchase of fashion products online by consumers Y generation in the city of Jakarta.

1.2 Trust Factor proved to have no significant influence on Decision Purchase of fashion products online by Y generation consumers in the city of Jakarta.

1.3 Price Factors proved to have a significant influence on Decision Purchase of fashion products online by consumers Y generation in the city of Jakarta.

5.2. Recommendations

From the results of this study can be submitted recommendations to Online Shop as follows.

2.1 The results of this study indicate that the convenience factor becomes the dominant variable in influencing the decision of online fashion product purchase by Y generation in Jakarta city. Online Stores need to maintain / improve the ease in the ordering process in online shopping application and guaranteed, in addition there is an increase in the timeliness of delivery of goods ordered.

2.2 Price Variables is the second largest variable that gives influence to the decision of online fashion product purchase by generation Y in the city of Jakarta. Online Stores need to increase Price policy, for example by adjusting prices with benefits and quality perceived by consumers.

2.3 Variables Trust based on the results of the research is known not to affect the Decision Purchase of fashion products online by generation Y in the city of Jakarta. In relation to that, the Online Store needs to ensure the security of sale and purchase transactions and improve the compatibility between goods posted in online stores with goods delivered to consumers.

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