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The Pattern of Online Purchase Behavior by Millennial Family

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Abstract

The issue of the millennial generation is being widely discussed around the world due to their unique characteristics compared to the previous generations. Characters of this generation of 3C: creative, confident, and connected. Buying a product, especially apparel, not only meets the needs, but it is also the pleasure of the millennial family. The unique characters of the millennial family's behavior that differs from the family in previous generations, make marketers needs to focus on the overall process of purchasing decisions made by the millennial family. The purpose of this qualitative research is to explore the patterns of behavior of the millennial family when Shopping especially apparel products, including the factors that influence their product's awareness, search the information before buying the products, alternatives evaluation, purchase decision and post-purchase evaluation. The method of this research used exploratory approach. Data collection is done by depth interviews with four millennial families (the urban middle-class millennial) in Jakarta, Bogor, Depok and Tangerang. The result of this research indicated that millennial family is more creative and "smarter" than family in the previous generation. They seek "well" information before buying the products and millennial family more digitally to connected with others also actively and wisely giving advise and sharing products, retail store, and foods to others.

Keywords: millennial family, online purchase behavior, onlie shopping

Introduction

The issue of millennial generation is being widely discussed around the world due to their unique characteristics compared to the previous generations. Characters of this generation of 3C: creative, confident, and connected. Buying a products, especially apparel, not only meets the needs, but it is also the pleasure of the millennial family.

According to Indonesian Central Bureau of Statistics (BPS), 50% of Indonesia's productive age population today comes from millennial generation. By 2020 until 2030, they are expected to make up 70 % of the total productive age population.

The changes in consumption expenditure can best be understood by taking a generation approach. Generational determined lifestyles and social values, exercise as much influence on buying and purchasing as more commonly understood demographic factors like income, education, and gender do, perhaps even more. Different generations and demographic consumer groups are exposed to: (a) different social and economic opportunities and barriers, (b) different types of technology activities, (c)

different social perceptions and different community norms, and (d) different life experiences and events (Hume, 2010).

Generation Y is three times more the size of Generation X and constitutes the largest market since baby boomer. Research from Mastercard quoted from the CNN Indonesia page revealed that the Millennial Generations (a generation born in the 1990s to early 2000s) who are generation growing due to the support of technological development, that half the millennial generation of 50% are most impulsively customers in Asia Pacific, in which at least half of luxury purchases are made spontaneously above the regional average of 26% (CNN Indonesia, 2015).

The pattern of consumers behavior of Indonesia with its variety of uniqueness is due to high level of heterogeneity. This is due to differences in tribes and regionalism. This difference concerns habits and lifestyles, especially eating habits, consuming style, and even consumer behavior in visiting online shopping. Peter & Olson (2010) stated that children have a great influence on family budget allocation and purchasing decisions. According to a survey by Marketing Charts (2014), millennial mom identified 18% more than other mothers as 'spender' rather than as 'saver'. This is the result of individuals belonging to the millennial growing in contemporary consumption-oriented societies, and they have more money in their teenage years than ever before. Although millennial mom identified 18% more than other mothers as 'spender'. But as per Honigman (2013), "Millennial parents buy significantly more based on price than they do on quality. Before being parents, millennial buying decisions were 57% on quality, with children it drops to 50%. Many millennial preferred to save money after having children, which is expected with the addition of a new expenses for the family".

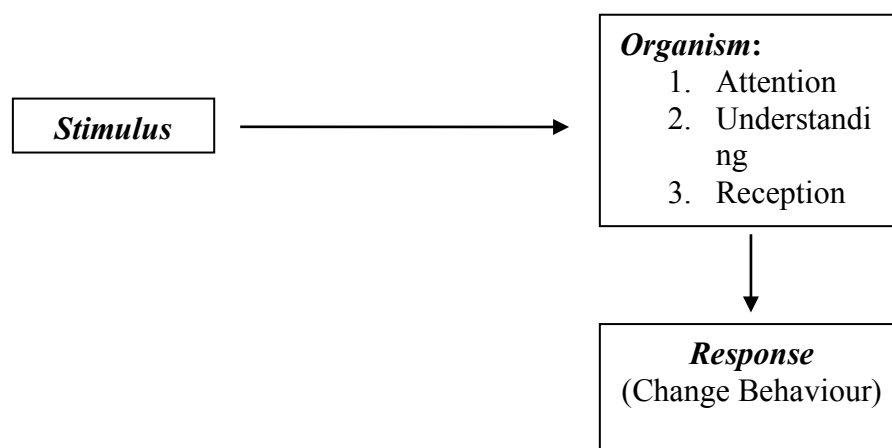
Formulation of The Problem

Based on the description that has been explained in the background, then the formulation of this research problem to explore the patterns of behavior of the millennial family when Shopping.

Theoretical: Grounded Theory

A definition of S-O-R theory, is presented. It was proposed by U.S. psychologist Robert Sessions Woodworth. This is a change to the stimulus-response and (S-R) formula proposed by Woodworth. He opposed behaviourism to the degree that it neglected the organism in behaviour. Therefore he introduced O for the organism into the S-R formula to produce S-O-R. This model simply pictures that stimulation and human behavior (reaction, action) are linked by an organismic component. The structures and processes that constitute this component are biological and psychological as per mentioned Effendy (2007, p. 254).

Figure 1. S-O-R Theory



Definition of Concept

Consumer Behaviour

Dwiastuti and Agustina (2012) made conclusion from several experts about consumer behavior as per below :

Gerald Zaldman and Melanie Wallendorf (1979:6) explained that: *“Consumer behavior are acts, process and social relationship exhibited by individuals, groups and organizations in the obtainment, use of, and consequent experience with products, services and other resources”*.

David L. Loudon and Albert J. Della Bitta (1984 : 6) stated that : *“Consumer behavior may be defined as decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of good and services”*.

James F. Engel, et.al (1968 : 8) said that : *“Consumer behavior is defined as the acts of individuals directly involved in obtaining and using economic good services including the decision process that precede and determine these acts”*.

Schiffman and Kanuk (1994 : 7) defined that; *“The term consumer behavior refers to the behavior that consumer display in searching for purchasing, using evaluating and disposing of product and services that they expect will satisfy their needs”*.

Solomon (2007) stated, *“It is study of the processes involved when individuals or group select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires”*.

Hawkins et al (2001) *“Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society”*.

Buying Decision Process had five stages as per below:

- I. Problem recognition
- II. Information sources
- III. Alternative evaluation
- IV. Purchase decision
- V. Post-Purchase evaluation

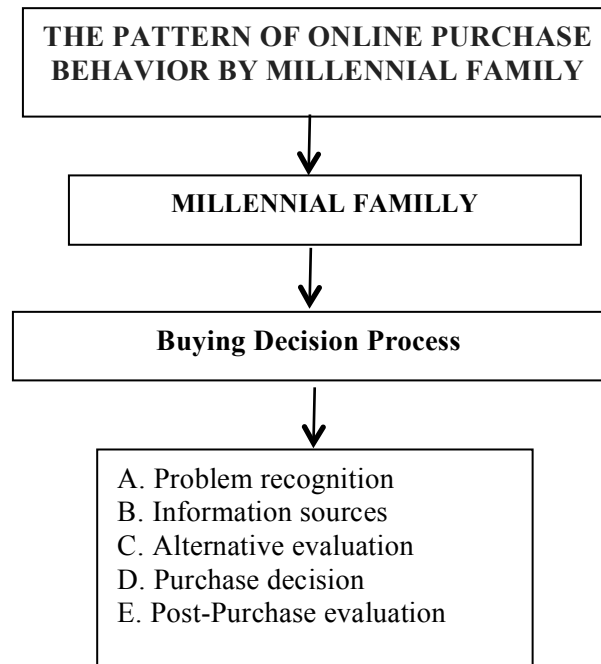
Millennial Family

Millennial family defined as Millennial or sometimes also called as generation Y is a group of people born after Generation X, i.e people born in the range of 1980-2000. So this means the millennial is a young generation with aged 17-37 this year. Millennial itself considered as something special because this generation is very different from the previous generation, especially in matters relating to technology (Millennial House, 2018). As the first generation to grow with the Internet and mobile devices, Millennial is also the first generation that does not consider strange tweeting and texting behavior with Facebook, Google, Wikipedia, and YouTube, but as a normal aspect of their social life in search of information (Aquino, 2012). As Kotler & Armstrong (2012) stated the following statement: "They do not just embrace technology, it's a way of life."

In Indonesia, over 255 million registered population, 81 million are millennial or aged 17-37 years. This means that Indonesia has many opportunities to develop this country. If we look to the world of social media, millennial generation is so dominating when compared to generation X. Millennial tend to be less concerned about the social circumstances around them like the world of politics or economic development of Indonesia. Most generation of millennial only care to boast the pattern of freedom and hedonism. Having a vision that is not realistic and too idealistic.

Conceptual Framework

Figure 2: Conceptual Framework



Method

Qualitative is about an emphasis on the process and a meaning that is not being tested or measured exactly in term of quantity, the numbers, intensity or frequency. Qualitative's researcher is emphasizing the nature of reality in social construction, intimate relations between researchers and what they learned, situational obstacles that forming inquiry (Moleong, 2010:7).

According to Burns and Bush (2010) exploratory research design is referred as gathering information in an informal and unstructured manner. The exploratory research design is proper when the researchers know small about the opportunity or issue. Exploratory research design is not limited to one specific paradigm but may use either qualitative or quantitative approaches.

Data Collection Technique

Data collection technique in this research used three techniques, namely in depth interview, documentation and data validity. These three techniques can complementary information or necessity of data to process analyze the pattern of online purchase behavior by millennial family. This data collection technique in this research can be divided through primary data and secondary data as per below :

In this researched based on the acquisition's method and data source so that divided into :

Primary Data

Primary data is data that find by the first source both of individual such as result of in depth interview or result of questioner done by the researcher. In this research, the researcher obtained the data or direct information by using the set instruments. This data as per below :

- I. In Depth Interview, the researcher made interviewed 4 (four) millennial family around Jakarta, Bogor, Tangerang and Depok.
- II. Observation, the researcher conducted observation into several housing complex around Jakarta, Bogor, Tangerang and Depok.

Secondary Data

Secondary data is data that collected from the book, written material or from result of previous research that relevant with the purpose of research. This secondary data can be collected by literature study both of documents or documentation such as research result that published into both of journal and e-journal, google scholar and so forth.

Data Analysis

Data analysis as per Patton is process to arrange about data's sequence, organize to some pattern, category and the discussion unit basic as stated by Moleong (2011:103). Data analysis process started with all available's data from various sources, such as in depth interview, field observation, and literature study. In qualitative's method, data can be collected from various sources by using various data collection technique (triangulation data). Miles and Huberman (1984) stated that activity to data analyze there are three steps namely data reduction, data display and conclusion in Sugiyono (2008:246).

Result and Discussion

Problem recognition

Consumer will buy a product as a solution of their problem. Based on in-depth interview to four millennial family, they buy products especially the apparel products very rarely done in a well planned, almost all respondents stated that they just bought while windows shopping and interested in a particular product as it is (impulse buying). That result in line with results of survey conducted by TIME (Honigman, 2013): "52% of millennial were more likely to make impulse purchases than any other generation. There could be correlations drawn to how fast our culture of consumption is moving as compared to past generations, which could affect how quickly millennial make a decision to buy when shopping."

This result also in line with statement by CNN Indonesia (2015): Research from Mastercard quoted from the CNN Indonesia page revealed that the Millennial Generations (a generation born in the 1990s to early 2000s) who are generation growing due to the support of technological development, that half the millennial generation of 50% are most impulsively customers in Asia Pacific, in which at least half of luxury purchases are made spontaneously above the regional average of 26%.

Information sources

In this stage, mostly millennial mom seek "well" information before buying the products. They tried to find out the information through the internet. All respondents agreed that they always share and give an advise to others about the products (via twitter, facebook, instagram, blogspot, insta story, path and so forth).

Statement from all respondents in line with this Aquino (2012): Millennial generation is the first generation to grow with the Internet and mobile devices, Millennial is also the first generation that does not consider strange tweeting and texting behavior with Facebook, Google, Wikipedia, and YouTube, but as a normal aspect of their social life in search of information.

Alternative evaluation

All respondents said that they always prioritize the quality even though the price is quite expensive. They are disgusted if the quality of a goods is bad because it means that they will often repeat orders.

Honigman (2013) stated that: "Millennial parents buy significantly more based on price than they do on quality. Before being parents, millennial buying decisions were 57% on quality, with children it drops to 50%. Many millennial prefer to save money after having children, which is expected with the addition of a new expenses for the family."

Purchase decision

Millennial family agree that they do not have just one subscription store to buy the products. The respondents said that they will compare for one product to several store, they really need the good quality with good price. This statement in line with statement from Honigman (2013): "Of survey respondents, 92% said that real-time product availability would influence where they shop. This is a statistic that brands should not ignore, since providing customers with the availability of product online or in stores is possible, which according to this survey, is an important factor that influences Gen Y shopping behavior.

Post-Purchase evaluation

Millennial family always share and give any information every time they buy goods or products. They assumption that this is as a normal aspect of their social life, this equal with statement of Aquino (2002) in information source stage.

Conclusion

The patterns of behavior of the millennial family when Shopping especially apparel products is they seek "well" information before buying the products. Mostly millennial family more digitally to connected with others also actively and wisely giving advise and sharing products, retail store, and foods to others. They always prioritize the quality even though the price is quite expensive. They are disgusted if the quality of a goods is bad because it means that they will often repeat orders.

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