Materialism Behavior On Private Label Buying Decision Among Indonesian Teenagers

Oliandes Sondakh
Business School
Pelita Harapan University
Surabaya, Indonesia
Email : oliandes.sondakh@uphsurabaya.ac.id

Amelia
Business School
Pelita Harapan University
Surabaya, Indonesia
Email : monica.amelia@uphsurabaya.ac.id

Abstract- **Nowadays, consumer behavior has become more complex and unpredictable. In consumer behavior, the relationship between product consumption and product ownership is closely related, one of the most interesting to study the behavior of consumer materialism. Consumer materialism is a personality trait that assumes ownership of the goods is very important to their identity. This study aimed to explore the effect of the consumer materialism toward consumer buying decisions on private label products. This becomes interesting because private label products are close with the connotation of "non brand" product. Data were collected by distributed 120 questioners to teenagers using purposive random sampling technique. From the hypothesis testing, it is obtained that materialism does not affect consumers' decision in buying private label product. Results from this study can be used for companies to determine marketing strategies related to consumer buying behavior.**

Keywords : Materialism, Consumers Buying Decision, Private Label

I. INTRODUCTION

Modernization is part of the transformation experienced by a society and its impact cannot be avoided. Modernizations cause a shift in the pattern of interaction between individuals and changing values in social life. Interactions between individuals are getting loose and social contact that occurs becomes lower in quality and quantity. Papilaya (2002) suggested that the Indonesian people are suspected of starting to show the characteristics and personality of the materialistic and hedonistic. The impact, especially in big cities, young people appeared to have materialistic attitude. Teens are social groups most susceptible to outside influences. Influence from the outside through TV shows, and celebrity lifestyle news indirectly influence adolescent behavior. The teens are competing to show their identity through the arena showing off wealth, which in turn leads to the materialistic behavior.

Increasing of modern retail business in Indonesia has caused the tight competition among businesses, particularly in the area of price. Consumer demands will be a quality product at an affordable price, making the modern retail businesses must be careful in making marketing strategies (Potter, 1996). One strategy which is currently heavily used by modern retail business is with private label.

Private label brand is a brand developed by the retailers, and used to increase shopping options for consumers. By using the retailers own brand, the product has a unique advantage, because it is definitely not going to be found in other retail.

The challenges faced by private label today is because of lack of information, consumers tend to assume that private label products are products for the second class, causing reluctance for consumers to buy and use products with private label (Dewi, 2010). In addition, the development of cultural materialism, which assumes that the status of ownership of the goods is important, can affect consumer buying behavior toward private label products. Also, private label can be used to develop small and medium enterprises. By using private label, SMEs was beneficial because they do not need to develop a brand that takes a long time and huge costs, so the price of the product can be suppressed, and with private label, products can directly be known and trusted by community (Dewi, 2010). Therefore, researchers interested to conduct a study to determine whether there is an impact of materialism behavior in purchasing private label products. This research was carried out on teenagers aged between 18-21 years, because of materialism behavior clearly seen in adolescents, and in addition, adolescents are the greatest prospects of modern retail in the future. It is expected that the results of this study can be used by the parties to formulate appropriate marketing strategies to deal with the behavior of consumer's materialism.

II. LITERATURE REVIEW

A. Materialism

Materialism in economic psychology and consumer research has been defined as "the importance a consumer attaches to worldly possessions" (Belk, 1985), or as "an orientation which views material goods and money as important for personal happiness and social progress" (Ward & Wackman, 1971). The popular notion of materialism equates materialism with conspicuous consumption, in which product satisfaction is derived from audience reaction rather than utility in use. Not only are materialists viewed as "driven" to consume more, but they

are also seen to focus on the consumption of "status goods' (Fournier & Richins, 1991; Mason, 1981) or unique consumer products (Lynn & Harris, 1997).

The popular notion of materialism also associates materialism with excessive status consciousness, condescension, envy, and disregard of others and of social issues, self-centered- ness, a lack of principles, possessiveness, insecurity, and interpersonal detachment (Foumier & Richins, 1991). The core values of current consumer culture are materialistic, and internalization of materialistic values as one's personal goals leads individuals to a greater commitment to buying and having material goods.

Based on both common sense and expert representations of materialism, a person with highly materialistic values believes that the acquisition of material goods is a central life goal, prime indicator of success, and key to happiness and self-definition (Richins, 2004). They also have stronger emotional and identity-related buying motivations: they buy goods in order to achieve mood regulation and move closer to an ideal identity (Dittmar et al., 2004).

Recent proposals, which draw on social psychology, conceptualize compulsive buying as compensatory behavior, where individuals attempt to deal with identity and mood problems through buying material goods (Dittmar, 2004; Elliott, 1994). This perspective is consistent with an emphasis on materialistic values, 'the importance ascribed to the ownership and acquisition of material goods in achieving major life goals' (Richins, 2004) such as happiness, satisfaction and success. Endorsement of materialistic values has been linked to lower well-being (Kasser & Ahuvia, 2002; Kasser & Ryan, 1993).

B. Buying Decision

Consumer decision making is complex and involves a number of constructs. Several aspects consumer decision making have been reviewed by researches. Consumer decision-making is defined as the behavior patterns of consumers that proceed, determine and follow the decision making process for the acquisition of need satisfying products, ideas or services. In addition, some researchers have advised that consumers are "value driven" (Zeithaml, 1988; Levy, 1999). The most widely used consumer decision-making theory was written by Mowen and Minor (2000). There were five steps in decision making process that included recognizing problems, searching for solutions, evaluating alternatives, choosing among options, and evaluating the outcomes of the choice. While, Schiffman and Kanuk (2000), defined consumer behavior is about how people make their decisions on personal or household products with the use of their available resources such as time, money and effort. Gabbott and Hogg (1998) and Blackwell et al. (2006) further provide a holistic view that defines consumer behaviour as the activities and the processes in which individuals or groups choose, buy, use or dispose the products, services, ideas or experiences.

C. Private Label

The concept of private label is actually a development of the concept of brand (brand). The brand is a name, term, sign, symbol, design, or a combination of those things that are meant to identify goods or services from the seller or group of sellers and to differentiate it from competitor's goods or services (Kotler, 1994). Private labels have another name brand and private store brand is a brand created and owned by retail sellers of goods and services (Kotler and Armstrong, 2004). According to Davies (1990) in Dick, Richard and Koskinen (2000) Private Label brands is any product with a retailer-owned name on it. Private brand is one of the strategies that retailers use to reach consumers. Private label is a brand differentiation from the retailers, where the brand is not same and can not replaced with another brand in another stores. Private Brand help retailers to control the flow of consumers and establish loyalty to the store by offering a product line exclusive (Corstjens & Lal, 2000).

D. Hypothesis

According to Mick (1996) materialism is a value representing individual's orientation towards the role of possessions in life, serving to guide the types and quantities of goods purchased. The study conducted by him has revealed that materialism research tend to be biased due to social desirability responding or impression management. This mean, people who materialism tend to buy a product only to impress other people, and private label definitely not one of them. Form this argument; we can define the hypothesis as follow:

H1: Teenagers who have materialism tendencies will not buy private label product

III. DATA AND METHODOLOGY

A. Data

The populations in this study were teenagers aged between 18-21 years in Surabaya, Jawa Timur, Indonesia. The sampling technique in this study is non probability sampling, because the population studied is not identified. The sampling method used is convenience sampling. Profile of respondents in this study can be viewed through the table1. From 130 pieces of questionnaires distributed to respondents directly at Surabaya, there are 120 questionnaires returned in fully answer condition and all of them meet the requirements for use in data processing. This shows the response rate from respondents for $120/130 \times 100\% = 92.3\%$. Nevertheless, the number of questionnaires returned already exceeds the minimum number of respondents for data processing using Multiple Regression that According to Hair et al. (2006), the minimum number of samples is five multiplied by the number of observations of each variable studied. This study has 21 indicators. So,

based on Hair et al. (2006), the minimum required number of samples is 105.

The data collection techniques are carried out using a questionnaire is as follows: (1) distribute questionnaires to respondents in accordance with the characteristics of populations in Surabaya, (2) provide an explanation and guide on how to fill the questionnaire respondents, (3) respondents fill out questionnaires; (4) collect the questionnaires have been filled by the respondent, (5) completed questionnaires were selected and sorted and tabulated.

TABLE I.　CHARACTERISTIC SAMPLE

No.	Sample Composition		Characteristic Sample
1.	Gender	Male	42.5%
		Female	57.5%
2.	Age	18	8.3%
		19	30.8%
		20	33.3%
		21	27.6%

Source: Analysis, 2011

B. Methodology

Measurement scale in this study using five-point Likert scale, where possible answers ranged from strongly disagree (1) to strongly agree (5). In which the greater the score or number selected indicated the higher of ratings, and vice versa.

All variables measured in this study are latent variables that have been tested previously by some researchers. Materialism is has been tested by Sangkhawasi and Johri (2007), and buying decision by Kwan, Yeung, and Au (2004). In addition, this study uses Multiple Regression to conducting tests of variables. Statistical analysis tool used was SPSS 14 for answering the problem of research.

IV.　FINDINGS AND DISCUSSION

A. Findings

This research was used Multiple Regression to conducting tests of variables. Statistical analysis tool used was SPSS 14 for answering the problem of research. The data used were primary data and secondary data. Primary data was collected by questionnaire distributions in Surabaya, Jawa Timur, Indonesia, and secondary data are collected from literature reviews.

From the questionnaires, the author's tries to analyze the tabulation of data that shown in table 2.

Based on descriptive analysis of the mean per question, we can defined that there are some indicators that have relatively low average, these are; x5, x6, x11, x12, y1, and y2. Materialism behavior is shown by the indicators of x5, x6, x11, and x12. This mean that the perception of variable display, and material oriented was not fully

important by the teenagers compare to the other indicators that shown in the behavior of materialism.

TABLE II.　DESCRIPTIVE STATISTIC

Indicators	N	Min.	Max.	Mean	Description
x1	120	1	5	3.74	I like famous brands
x2	120	1	5	3.63	I would be happy if I owned luxurious things
x3	120	1	5	3.24	I like to buy luxury goods
x4	120	1	5	3.37	I like to use luxury goods
x5	120	1	5	2.93	I like being seen as someone luxurious
x6	120	1	5	2.9	I like displaying luxuries I have
x7	120	1	5	3.76	I like choosing my job on the basis of salary
x8	120	2	5	4.28	I like having a lot of money
x9	120	1	5	3.15	Money can buy happiness
x10	120	2	5	4.14	I like having the goods I want
x11	120	1	5	2.79	I measure success in my life with my possessions
x12	120	1	5	2.88	Goods I own indicate my status
x13	120	1	5	3.375	I buy things even if they are expensive
x14	120	1	5	3.24	I buy a product because of its brand
x15	120	1	5	3.63	Luxury goods represent popular brands
y1	120	1	5	2.85	I buy private label products in the last 6 months
y2	120	1	5	2.96	I like private label products
y3	120	1	5	3.41	I am not ashamed to buy private label products
y4	120	1	4	3.17	I use private label products
y5	120	1	5	3.02	Private label products have the same value as the branded product
y6	120	1	5	3.433	I am not ashamed to use private label products
Valid N (Listwise)	120				

Source: Analysis, 2011

The indicators that show the lowest average value is x11 "I measure success in my life with my possessions" with 2.79, this is because teenagers are still young and still studying, so they have not achieve anything and all they possessions is usually from their parents.

Money-oriented variables have the highest mean value of 3.73; this indicates that most of the teenagers consider money as important factor in their lives, which the indicator was x8 "I like having a lot of money". It shows a strong indication of materialism behavior of teenagers where they tend to like having a lots of money to spend.

Teenagers age 19-21 can be group into the Gen Y adults (ages 19-28). This group's members influence the purchases of their parents for a substantial amount of other goods and services. They have grown up in a media-saturated environment and tend to be aware of "market hype". Lindstrom (2004) mentions that Gen Y adults are the largest users of cell phone text messaging, and most likely to be reached by placing messages in the places they frequent, such as online and cable TV. It makes them have materialism behavior.

Furthermore, by differentiated the answers by sex, the researchers found that teenagers boy have a greater tendency of materialism than teenagers girl, which are 3.21 compared to 3.17 for girls. Moreover, teenagers boy have a tendency to buy private label products more compared to teenagers girl, which is 3.11 to 2.9. These results are contrary to reports in the media that says that women are more materialism than men. This is because in this research, the sample was Gen Y adults, where they are tend to think that materialism is important attribute.

B. Discussion

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.861	5	.772	1.644	.154[a]
	Residual	53.547	114	.470		
	Total	57.407	119			

a. Predictors: (Constant), leading concern, money oriented, display, material oriented, luxury
b. Dependent Variable: buying decision

FIGURE 1. F-TEST
Source: Analysis, 2011

From the Figure 1, the research found that significance of F test is 0.154, which is higher than $\alpha = 0.05$, this mean H1 was not accepted, while H0 was accepted, this mean that by overall materialism variable will not significantly affect consumers buying decision on private label products.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.190	.462		4.743	.000
	luxury	-.171	.135	-.184	-1.265	.208
	display	.172	.133	.189	1.294	.198
	money oriented	.063	.118	.058	.536	.593
	material oriented	.051	.143	.046	.360	.719
	leading concern	.183	.116	.185	1.581	.117

a. Dependent Variable: buying decision

FIGURE 2. T-TEST AND LINEAR REGRESSION
Source: Analysis, 2011

From the Figure 2, the research found that significance of t test in every variable of materialism is higher than $\alpha = 0.05$, this mean all of the variable did not have any significance influence of consumers buying decision on private label products.

V. CONCLUSION AND IMPLICATION

A. Conclusion

In Indonesia context the pursuit of materialism is not wide spread and has minimal impact on private label product buying decision. Further more, it can be explained from the consumer's involvement theory. Consumer's involvement was focus on the degree of personal relevance that the product or purchase holds for that consumer. Some examples of low-involvement products are tissue, sugar, rice, etc., and most of the private label product is using those products. Low-involvement purchases are purchases that are not very important to the consumers, hold little relevance, and have little perceived risk, and those provoke very limited information processing (broad categorized).

From the result of the research, it can be conclude that teenagers who have materialism tendencies will still buy private label products, because of the reason above. Further more, it support with Irawan (2008) that state two of the ten unique Indonesian consumers character is impulse buying and short term orientation in buying for low-involvement products. Even though, one of the characteristic is prestige, but, the concept is only for high-involvement products. This mean, materialism teenagers will only show the tendency on high-involvement products, because that products could give them more value that is prestige, which is not for low-involvement products such as private label products. The study about other goods, other age subculture, in other areas and above services worth further investigation.

B. Implication

This research show that the tendency of materialism to private label buying decision was not significantly. This mean, companies that use private label can still targeting on materialism teenagers. This research also gives a new perspective that teenagers boys are more likely to become more materialism and not all the product that consume by materialism teenagers are expensive products. Further more, it offering new perspective that materialism people are not always buy product for prestige, sometimes they even buy products only because of the beneficial, such as private label products.

not label axes with a ratio of quantities and units. For example, write "Temperature (K)", not "Temperature/K".

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