



Culture, Social, Personal and Psychology of Buying Decisions in Indomaret

(Case Study on Management and Business Faculty Students at Ambon State Polytechnic)

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Abstract

This study aims to analyze the influence of culture, social, personal and psychological on purchasing decisions at Indomaret. The data analysis method used is path analysis using Partial Least Square (PLS). The object of research is the students of the Ambon State Polytechnic majoring in management and business at the final level as many as 150 people. The results showed that social variables, personal variables and psychological variables had a significant positive effect on purchasing decisions at Indomaret, and cultural variables have a positive but not significant effect on purchasing decisions at Indomaret

Keywords: Culture, Social, Personal, Psychology, Buying Decision

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I. INTRODUCTION

The supermarket business has long been operating in the Indonesian retail industry and has spread throughout the country, including the city of Ambon. The existence of supermarkets initially caused many pros and cons. However, some consumers think that supermarkets provide many alternative products and attractive shopping by offering facilities, comfort and safety in shopping. Quality or product quality, competitive prices are sometimes even cheaper than prices in traditional markets, besides that, supermarkets always provide friendly service. This situation worries small retailers who use mediocre funds. This small retailer has been impacted by the presence of the Supermarket with a significant decrease in turnover or income.

The rapid development of modern markets or supermarkets cannot be separated from the participation of consumers. Satisfied customers will come back to buy again, and they also tend to talk positively about the advantages of the modern market to others. However, a bad customer service experience also tends to create a chain of negative effects. Buying decisions of consumers are strongly influenced by beliefs, attitudes to choose goods / services which are influenced by external and internal factors of consumers. External factors include, 1). Families, many buying decisions are made for goods consumed by the family as a whole. Supermarkets must understand the needs of a family because it affects the shopping decisions of consumers, 2). Reference group. 3). Culture is seen as one of the determinants of purchasing decisions. Culture is one of the main characters that comes from the community and as a differentiator from other cultural groups. The basic elements of every culture are values, myths, rituals, language, customs, laws, and artifacts, to products that are passed down from one generation to the next (Lamb, Hair, and Daniel, 2011). Culture is a fundamental factor in the formation of the norms of a person who will shape the desire and behavior to become a consumer. Culture can be learned from family, teachers, neighbors, friends, and community leaders. Personal or internal factors that come from within a person who are able to influence shopping decisions include: 1). Personal aspect. Each customer has differences with other customers due to different personal factors such as age, lifestyle, financial condition, personality, and self-concept. 2). Psychological aspects. Psychological factors can influence a person in acting to buy goods and services which are always based on motivation, belief, perception, and behavior in the learning process that consumers go through. The decision to buy from consumers often arises because they are faced with various kinds of goods available. This reaction will always be there, consciously or unconsciously even very reasonable because in essence they have the nature of wanting to have. This desire is used by marketers to encourage their desire to increase the volume of purchases that are usually unplanned and without going through

long thoughts (impulse buying) (Kacen, and Lee 2002). Impulse buying arises because it is caused by stimulation. Impulse buying has now changed its meaning, it used to be seen as an irrational buying attitude or behavior on conventional goods, now impulse buying is only done on the purchase of luxury goods such as cars and houses. . Based on the above thoughts, the researcher is interested in researching with the title: The Influence of Cultural, Social, Individual and Psychological Factors on Buying Decisions at Indomaret (Case Study: Student of the Faculty of Economics, State Polytechnic of Ambon)

Given the number of supermarkets in Ambon city, the research is only limited to Indomaret consumers in Ambon City. The problems that the writer will examine are:

1. Is there a significant influence partially and simultaneously cultural, social, personal and psychological factors on purchasing decisions at Indomaret?
2. Of the four variables (cultural, social, personal and psychological factors) which variable has the most dominant influence on purchasing decisions at Indomaret?

II. LITERATURE REVIEW

Buying decision

Purchasing decisions are activities that are directly involved in making decisions in purchasing the products offered by the seller. Purchasing decisions are decisions for buyers where consumers will actually buy, according to Kotler & Armstrong (2001). According to Hahn (2002) the activities that take place in the decision to purchase are divided into three, namely:

1. Consumer routines to make purchases.
2. The quality obtained from a purchase decision
3. Commitment or loyalty of consumers who are used to buying competing products

According to Engel, Blackwell, Miniard (1995), purchases of products or services made by consumers can be classified into three types of purchases, namely as follows:

1. Planned purchases.
2. Consumers have already determined the choice of products, brands before the purchase is made, so this includes a fully planned purchase.
3. Half-planned purchases
4. Consumers already know they are going to buy a product before going to the store, but maybe they don't know the brand they will buy until they can get complete information from the store salesperson. When he already knows the product he wants to buy in advance and decides on the brand of that product in the store, then this is a semi-planned purchase.
5. Unplanned purchases.
6. Consumers often buy a product without planning in advance. The desire to buy often appears in stores when there are factors that cause consumers to buy a product, then this includes unplanned purchases.

According to Swastha and Handoko (2008) every purchasing decision has a structure of seven components, namely:

1. Decision on product type
2. Decision on the shape of the product
3. Brand decision
4. Decision on the sale
5. Product quantity decision
6. Purchase decision
7. The decision on the method of payment to be made for payment transactions

Consumer decisions to determine whether or not to buy a product can also be influenced by four (4) factors, namely:

A. Cultural Factors

Culture is the most basic determinant of a person's desires and behavior. Culture is the most important factor in decision-making behavior and buying behavior (Setiadi, 2003), (Lamb, 2001). Cultural factors are the habits of a society in responding to something that is considered to have values and habits, which can start from their receiving information, their social position in society, and their knowledge of how they feel. Culture is a force in regulating human behavior. It consists of a set of behavioral patterns that are transmitted and maintained by members of a particular society through various means (Arnolds & Thompson, 2005). For example, members in the same culture have a common language of pattern and imitation instruction and they share the same values. These values tend to influence consumer behavior and regulate the choice of criteria used by individual consumers (Tahmid Nayeem, 2012). Culture is a group of social values accepted by society as a whole and spread to its members through language and symbols. Each culture is made up of smaller sub-cultures that

provide more specific identification and socialization for its members. Sub-culture includes nationality, religion, race and geographic area (Anoraga, 2000).

Relationship of Cultural Factors with Purchase Decisions. Culture, sub-culture and social class are very important for buying behavior (Kotler and Keller, 2009). Culture is the most basic determinant of a person's desires and behavior. In other words, it is the most important factor in decision-making behavior and buying behavior (Setiadi, 2003). While other creatures act on instinct, human behavior is generally learned. Cultural factors are a group of social values that are accepted by society as a whole and spread to its members through language and symbols (Anoraga, 2007). Cultural factors have the broadest and deepest influence on consumer behavior. Marketers must recognize the role that cultures, sub-cultures, and social classes play. Culture refers to ideas, symbols that have meaning to communicate, value, interpret and evaluate as members of society and can be seen from the beliefs, views and habits of consumers towards a product. The higher the public trust in a product, the higher the consumer's decision to make a purchase. The relationship between cultural factors and purchasing decisions is evident in the research of Lawan A. and Rahmat Zanna that the cultural, economic and personal variables on the buying behavior of clothing consumers in the Borno state of Nigeria show a very significant influence.

B. Social Factor

Social factors are a group of people who both consider closely equality in status or community rewards who continuously socialize among themselves both formally and informally (Lamb, 2001). Social factors are a group of people who are able to influence individual behavior in carrying out an action based on habits. These social factors consist of reference groups, family roles and status. Referred to as a reference group is a group that directly or indirectly influences a person's attitudes and behavior. Family members can also exert a strong influence on buyer behavior. There are two kinds of families in the buyer's life, namely the family as a source of orientation consisting of parents; and family as a source of offspring, namely husband and wife and their children. A person's position in each group can be explained in terms of role and status. Each role will affect a person's buying behavior (Anoraga, 2000).

Relationship of Social Factors with Purchase Decision. Every human being in his daily life always socializes or relates to other people. Either directly or indirectly. Interactions that occur continuously can affect their buying behavior. Social factors are a group of people who both closely consider equality in status or community rewards who continuously socialize among themselves, both formally and informally (Lamb, 2001). Consumer behavior is also influenced by social factors such as reference groups, family, and the role and social status of consumers. Reference groups have a direct (face-to-face) or indirect influence on a person's attitudes and behavior. Social class sometimes takes the form of a caste system in which members of different castes for certain roles can change their caste membership, including in the purchase of a product. Social factors can be seen from the relationship with friends, family and parents in influencing purchasing decisions. The higher the relationship with friends, family and parents, the higher the consumer's decision to make a purchase.

C. Personal Factors.

Personal factors are a way of collecting and classifying the consistency of an individual's reaction to the current situation (Lamb, 2001). Personal factors are a person's habit patterns that are influenced by the immediate environment in making choices, then expressed in an action. A person's decision to buy is also influenced by the unique personal characteristics of each individual, such as gender, age and stages in the life cycle, personality, self-concept and lifestyle. Individual characteristics are generally stable during one person's life cycle. For example, most people do not like to change gender and their actions change their personality or lifestyle which requires reorientation during a period of life. In the case of age and life cycle stages, these changes occur gradually over time (Lamb, 2001).

Relationship of Personal Factors with Purchase Decisions Personal factors are a way of collecting and classifying the consistency of an individual's reaction to the current situation (Lamb, 2001). A person's behavior in buying something is also influenced by the personality factors of the consumer concerned. Personal factors combine psychological order and environmental influences. Including the character, basis of a person, especially their dominant characteristics. Although personality is a useful concept in studying consumer behavior, some marketers believe that personality influences the types and brands of products purchased. A person's personality is formed due to various indicators, such as parents' occupations, economic conditions and lifestyle. The higher the position of parents in work, well-established in terms of economy and an increasing lifestyle, the higher the decision to buy a product.

D. Psychological Factors

Psychological factors are the means used to recognize their feelings, collect and analyze information, formulate thoughts and opinions and take action (Lamb, 2001). Psychological factors are encouragement from a

person who influences the choice of something based on the flexibility of the product used, greater desire and ease of use of the product compared to others.

Relationship of Psychological Factors with Purchase Decision. A person's purchase choice is influenced by four main psychological factors, namely motivation, perception, knowledge, beliefs and attitudes. A person's motivation has several needs at a time, it can be biogenic, which arises from physiological tension, such as hunger, thirst, comfort, psychogenic needs, which arises from psychological tension, such as the need for recognition, self-esteem and feeling humiliated in the community. The higher the motivation, perception, knowledge, beliefs and attitudes of a person towards a product, the higher the consumer's decision to make a purchase. Psychological factors are the means used to recognize their feelings, collect and analyze information, formulate thoughts and opinions in taking action (Lamb, 2001). A person's purchase choice is influenced by four main psychological factors, namely motivation, perception, knowledge, belief and attitude. These psychological factors will encourage consumers to act to empower and perceive the experience and knowledge possessed by consumers in making product purchasing decisions. In a decision process, it eventually becomes a purchasing decision process that has a positive relationship with psychological factors in the consumer concerned. (Latif, 2011).

Conceptual framework

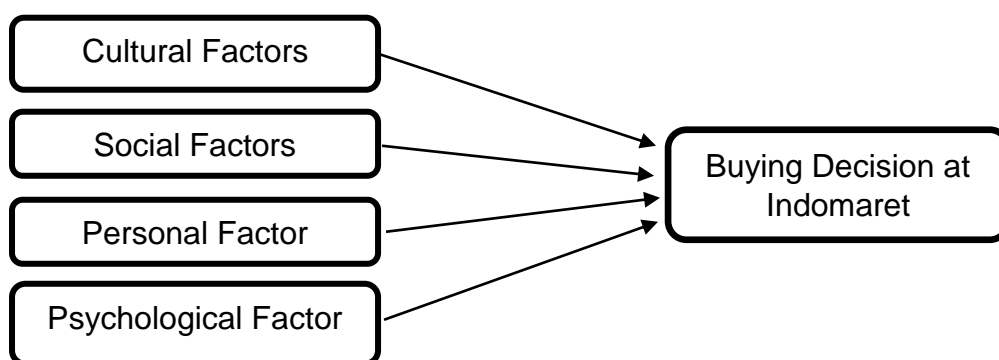


Figure 1. Concept Framework

III. RESEARCH METHODS

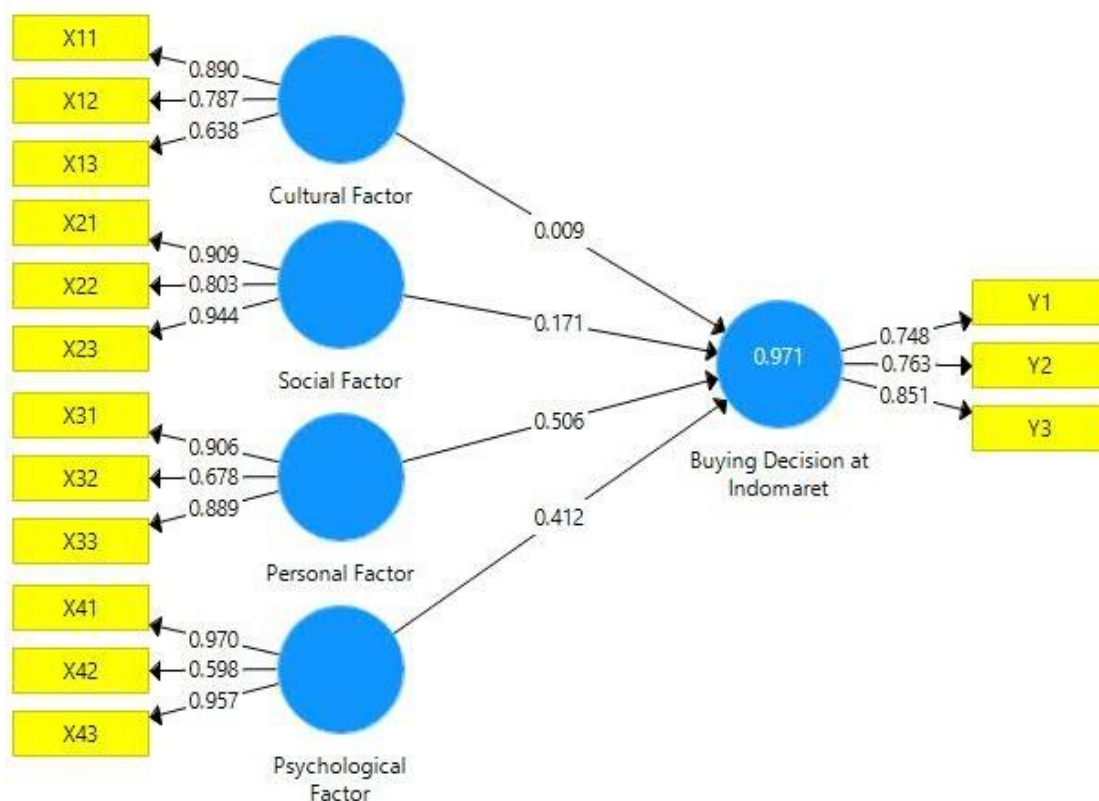
This study focused on students of the Ambon State Polytechnic Faculty of Business Administration with the population in the study all students of the Ambon State Polytechnic Business Administration faculty. The sampling in this study used a purposive sample method, namely the final level management students with a total of 150 people. The instrument in the questionnaire consists of all the indicators contained in each variable

Cultural factors are important characteristics of a social group that distinguish it from other cultural groups. Indicators of this variable are good and bad views of the product, the habit of hearing about the product, and the closest group in buying the product. Sumarwan (2003) and Setiadi (2003). Social factors are a group of people who closely consider equality in status or community rewards who continuously socialize among themselves both formally and informally, with indicators The presence of friends to choose products, the presence of family members to choose products, Social status in society (Anoraga, 2000), Setiadi (2003). Personal factors are a way of collecting and classifying the consistency of an individual's reaction to the current situation (Lamb, 2001), with indicators of parents' occupation, economic situation / income, lifestyle (Anoraga, 2000). Psychological factors are a method used to recognize their feelings, collect and analyze information, formulate thoughts and opinions and take action (Lamb, 2001), with indicators of motivation to choose products, perceptions to choose products, learning from experience, consumer attitudes to choosing products (Anoraga, 2000). Purchasing decision is a consumer decision as the ownership of the action of two or more alternative choices regarding the process, method, act of buying, by considering other factors about what to buy, when to buy, where to buy it and how to pay it (Sumarwan, 2003), with indicators The need for the product, the search for information on the product, the decision to choose a product (Lamb, 2001)

In this study, the data analysis used the Partial Least Square (PLS) approach. PLS is an equation model of Structural Equation Modeling (SEM) based on components or variants. PLS is an alternative approach that shifts from a covariance-based to a variance-based SEM approach.

IV. RESEARCH RESULT

Measurement Model (Outer Model)



Source: PLS data processing (2022)

Figure 2. SEM-PLS Measurement Model (Outer Model)

The constructs of Cultural Factor, Social Factor, Personal Factor, Psychological Factor, and Buying Decision at Indomaret, were analyzed by looking at the validity and convergent reliability of each indicator. The output in table 1 and figure 2 below shows the loading factor for the five constructs above 0.5 which is required, with a statistical T value above 1.66 (for a significance level of 0.05) this indicates that the construct has discriminant validity the good one.

Table 1. Outer Loadings (Mean, STDEV, T-Value)

	Orginal Sample	Sample Mean	Standard Deviasi	T Statistics
X11	0.890	0.890	0.025	36.264
X12	0.787	0.783	0.058	13.630
X13	0.638	0.639	0.096	6.614
X21	0.909	0.909	0.022	41.328
X22	0.803	0.802	0.032	25.125
X23	0.944	0.942	0.013	74.216
X31	0.906	0.904	0.023	38.967
X32	0.678	0.680	0.056	12.121
X33	0.889	0.888	0.025	35.301
X41	0.970	0.970	0.007	129.828
X42	0.598	0.592	0.083	7.201
X43	0.957	0.957	0.008	114.837
Y11	0.748	0.749	0.049	15.175
Y12	0.763	0.760	0.051	14.924
Y13	0.851	0.849	0.033	25.729

Source: PLS data processing (2022)

Testing the Structure Model (Inner Model)

Discriminant reliability (AVE), Cronbach alpha (CA), and composite (CR) were measured. The criteria state that if the discriminant reliability (AVE) is greater than 0.5, Cronbach's alpha is greater than 0.6 and composite reliability is greater than 0.7, the construct is said to be reliable. The reliability test shows (Table 2)

that all latent constructs have an AVE value greater than 0.5, a CA value greater than 0.6, and a CR value greater than 0.7. The reliability test shows (Table 2) that all latent constructs have an AVE value greater than 0.5, a CA value greater than 0.6, and a CR value greater than 0.7. Therefore, based on the reliability criteria, all items can be declared reliable in measuring the latent variable. R-square measurement model of Cultural Factor, Social Factor, Personal Factor, Psychological Factor in Buying Decision at Indomaret is 0.971 or 97.1%. which can be interpreted that the influence of Cultural Factor, Social Factor, Personal Factor, Psychological Factor on Buying Decision at Indomaret 97.1%

Table. 2 R-Square dan Cronbachs Alpha

	AVE	Composite Reliability (CR)	R Square	Cronbachs Alpha (CA)
Cultural Factor	0.606	0.819		0.773
Social Factor	0.787	0.917		0.862
Personal Factor	0.691	0.868		0.765
Psychological Factor	0.738	0.890		0.805
Buying Decision at Indomaret	0.622	0.831	0.971	0.795

Source: PLS data processing (2022)

Table 3. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample	Sample Mean	T Statistics	P Value	Informasi
Cultural Factor → Buying Decision at Indomaret	0.009	0.012	0.246	0.805	No Sig
Social Factor → Buying Decision at Indomaret	0.171	0.170	4.333	0.00	Sig
Personal Factor → Buying Decision at Indomaret	0.506	0.506	10.547	0.00	Sig
Psychological Factor → Buying Decision at Indomaret	0.412	0.410	7.842	0.00	Sig

Source: PLS data processing (2022)

The next test is to test the hypothesis and determine the significance of the effect of exogenous variables on endogenous variables. SEM-PLS explains that the hypothesis measures significance by comparing the T-table and T-statistics values. If the T Count statistic is higher than the T-table value, then the hypothesis is accepted. The 95 percent (or 5%; <0.05) confidence level for the two-tailed hypothesis is > 1.96. Table 3 answers the research hypothesis that only Cultural Factor has a positive but not significant effect on Buying Decision at Indomaret. Social Factor, Personal Factor, Psychological Factor variables all have a positive and significant effect on Buying Decision at Indomaret.

V. DISCUSSION

From the results of data processing, it was found that the cultural factor variable had a positive but not significant effect on Buying Decision at Indomaret where the P Value was 0.805 <0.05. . Students in determining their decision to buy goods at Indomaret are mostly due to the new culture they embrace that most of the latest necessities they want are available at Indomaret, not only students but their families and environment have indeed formed their own culture that Indomaret is one of the choices. consumers to shop. This study is in line with the research conducted by Lawan A. Lawan and Rahmat Zanna (2013) which showed that the relationship between cultural factors and purchasing decisions showed a positive influence.

On the Social Factor variable, this variable has a positive and significant effect on Buying Decision at Indomaret with p value 0.00 < 0.005. Students are always more or less always socializing or connecting with other people in the campus environment, either directly or indirectly. This interaction that occurs continuously affects student behavior in determining purchasing decisions. Some student behavior as consumers is usually influenced by social factors such as friends, family, and the presence of roles and status (Kotler & Keller, 2012). The higher the student's relationship with these social factors, the higher the student's decision as a consumer to make a purchase decision.

The Personal Factor variable has a positive and significant effect on Buying Decision at Indomaret with p value 0.00 < 0.05. Almost all students, personally, are familiar with Indomaret as a fairly complete shopping store that provides convenience facilities in shopping, with several different product variants. This is what causes students to personally like to shop at this place, so this influence directly has a positive and significant effect on the decision to shop at this place. This is in line with the research of Nafali & Soepeno (2016) which shows that personal factors have a significant positive effect on food purchasing decisions. This means that one of the factors that determine purchasing decisions at Indomaret is a personal factor variable.

Psychological Factor also has a positive and significant influence on Buying Decision at Indomaret, with a p value of 0.00 < 0.05. Four psychological processes, namely motivation, perception, learning and memory, which fundamentally affect consumer responses. Some needs such as hunger, thirst or the desire for comfort, and there are also needs that arise from psychological stress conditions such as the need for

recognition, appreciation or belonging (Kotler & Keller, 2012). The higher the motivation, perception, learning and memory of a product in Indomaret, the higher the student's decision to make a purchase at Indomaret. Indomaret is advised to pay more attention to the psychological variables of all consumers, by offering good product quality and increasing innovative ideas for the new product menu offered.

VI. CONCLUSION

It is undeniable that consumers' decisions to buy goods at Indomaret are based on cultural, social, personal and consumer psychology factors. Therefore, the mini supermarket, in this case Indomaret, must always pay attention to the variables of these factors, because for consumers, in this case, students, the existence of Indomaret is very helpful for them in terms of selecting products for necessities with all available variants, where the goods are guaranteed in terms of security, especially the expiry date of the product. In addition, the students more or less have no problem with the selling price of goods from Indomaret because of a good service system as long as consumers shop at Indomaret.

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